2022

Ivins City Moderate Income and Affordable Housing Plan





Updated Sept. 29, 2022 by the Ivins City Council.

Table of Contents

Executive Summary **3**

Introduction **4**

Demographics **5**

Population and Growth *5*

Income *6*

Analysis of Income 6

Housing Stock **6**

Structure Mix *6*

Age of Housing Stock *7*

Value of Existing Housing Stock *8*

Ivins City Real Estate *8*

Affordability of Available Real Estate *9*

Condition of Housing Stock *10*

Housing Affordability **10**

Affordability of Home Ownership *11*

Affordability of Rent *12*

Special Needs Housing *12*

Analysis of Special Needs Housing 13

Zoning Regulatory Environment **13**

Survey of Residential Zoning *13*

Goals, Objectives, Strategies **14**

Benchmarks **15**

Executive Summary

The intent of this Moderate Income and Affordable Housing Plan is to facilitate a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people of various income levels living, working, or desiring to live or work in Ivins City.

Affordable housing, as defined by the state, is housing costs which are no more than 30% of gross monthly income. The median monthly income for Ivins City is $6,500. The median monthly housing cost, including current residents, is $1,544 and the median gross rent, including current residents, is $1,199. The median monthly housing cost for new home buyers today is $2,995, or 46% of median income. Clearly, Ivins continues to face affordable housing challenges. Whether looking at home ownership or rental options, the City's housing options continue to push the boundaries of affordability.

The issue of affordability is complicated in Ivins City by demographics. 30.8% of the population in Ivins is 65 years of age and older compared to 17.4% county-wide, 16.6% in Santa Clara, and 16.8% nation-wide. This demographic anomaly likely skews income data for Ivins City downwards exaggerating the affordability gap.

While affordable housing challenges persist, the City will continue to encourage affordable housing options by allowing for a variety of housing types in attractive, functional neighborhoods to try to meet the needs of various income levels. Ivins City will attempt to achieve this by providing sufficient land zoned for rental and for-sale housing, proving a variety of lot sizes and residential building types, providing reasonable land use ordinances, and evaluating new solutions and potential financial opportunities for the housing needs of our residents.

Out of the possible goals suggested by the legislature, Ivins City has selected the following three goals:

GOALS

1) Rezone for densities necessary to facilitate the production of moderate-income housing.

2) Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.

3) Ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing.

STRATEGIES

Ivins City desires to have a variety of different housing types. Historically, density bonuses in overlay districts have been established to encourage moderate-income housing. As construction and land costs vary, Ivins will continue to evaluate new solutions and potential

financial opportunities for the housing needs of our residents, including possible annexation opportunities. The City will look for areas of higher densities to best complement our diverse neighborhoods. We will look for land use planning standards for missed-use housing projects along transportation corridors for easy connection throughout the community.

Ivins City leadership, Affordable Housing Committee and Staff seek ways to engage with State, Federal, and County agencies, School Districts, and neighboring communities to address our collective moderate-income housing challenges in a way that aligns with defining features of our General Plan. Ivins City will strive to accomplish these goals by considering amending our Land Use Plan and setting agendas for discussing each solution and moving forward with good legislation that encourages housing solutions. We will meet with other cities and inter-agencies to see where common ground can be found.

Introduction

In 1996 the Utah Legislature passed House Bill 295 requiring cities and counties to include an affordable housing element as part of the general plan. It's important to understand what is meant by "Moderate Income" and also "Affordable". Moderate income, for the purposes of this plan, comes from Utah's definition in Title 10, Chapter 9a, Part 1 of the Utah Code:

> *"'Moderate income housing' means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located."*

As for the definition of "Affordable Housing", the U.S. Federal Government defines affordable housing as any housing whose gross monthly costs, including utilities, are equal to no more than 30 percent of a household's gross monthly income.

This report utilizes data from a variety of sources including HUD, Census.gov, the State of Utah, and other sources. The data often has conflicting reporting dates which means that some data is newer or older than other pieces. Also, the most recent data that we have for demographics and financial characteristics is 2020. Since 2020, inflation has been notoriously high approaching 10 percent that should result in higher household incomes then is reported in 2020.

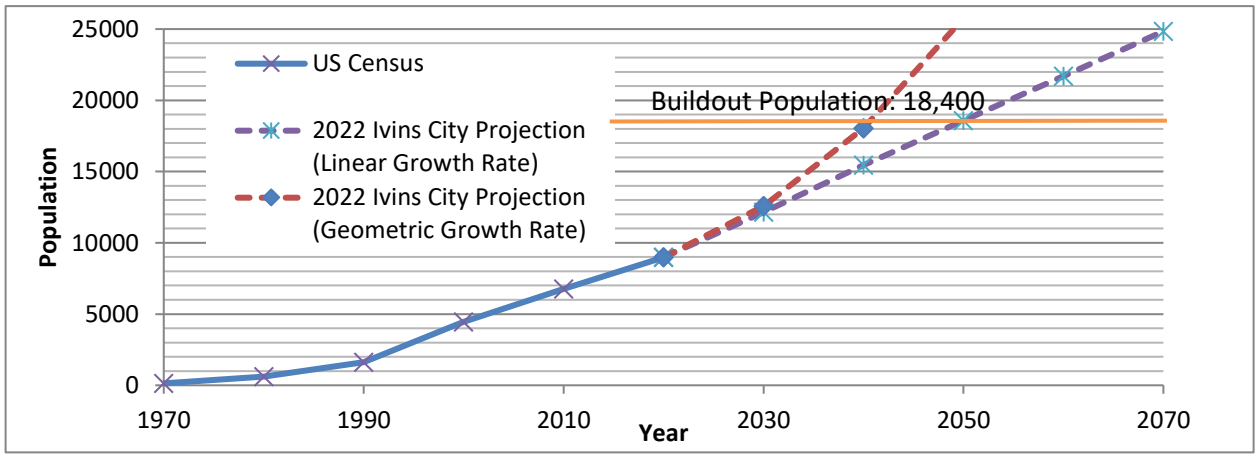
The intent of this Moderate Income and Affordable Housing Plan is to choose goals and implement strategies that provide a reasonable opportunity for a variety of housing, including moderate income housing, to meet the need of people desiring to live and/or work in Ivins City. Moderate income housing should be encouraged to allow people with various income levels to fully participate in all aspects of neighborhood and community life.

Demographics

Population and Growth

Between 2010 and 2020 Ivins City witnessed an increase of population by 2,225 representing 32.9 per cent of growth for a total population in the 2020 census of 8,978. This result demonstrates an average growth of 3.3 percent per year. However, 2020 and 2021 were huge years for growth as the City issued building permits for 146 single family homes and 56 multi-family units in 2020 and 212 single family homes and 72 multi-family units in 2021. This represents a 5.1 percent growth rate and a 6.4 percent growth rate respectively. We are currently in 2022 and this year's growth is on track to build another 200 units of single family and multi-family units, which increases the units by 4.5%. Based on this data we can estimate that the current 2022 population is approximately 10,000.

The city maintains an updated population projections for the city based on expected growth rates of housing and considering a declining household size. The following chart presents the results of this projection.



There are two projections representing linear growth or a possible higher geometric growth rate. Evaluations of our land use plan, indicate that the current buildout population is 18,400. This buildout assumes the densities currently identified on the land use map and does not consider potential changes resulting from increasing or decreasing densities or limitations due to water availability. Right now, we are growing above the geometric growth rate, however, an economic slowdown which is currently expected by many prognosticators could bring the growth rate back closer to the linear model.

The population in 2030 is estimated to be between 12,200 (linear) and 12,600 (geometric). If we use the higher number, 1,100 more housing units will be constructed over the period between now and 2030.

Income

Analyzing the income of Ivins City's residents is critical to understanding the affordable housing needs of the city. Household income is used to determine housing affordability. Based on the latest American Community Survey conducted in 2020 based on the previous 12 months. The area median household income sometimes identified as the AMI was $68,000. Moderate-income housing is targeted towards those households that make 80 percent of the AMI or less. The following chart identifies the annual and monthly income of these households:

Area Median Income (AMI) and 80 Percent AMI (Moderate Income)

	Annual Income (2020 Dollars)	Monthly Income (2020 Dollars)
Area Median Income (AMI)	$68,000	$5,666
80% AMI (Moderate Income)	$54,400	$4,533

Analysis of Income

The State's measure for affordable housing is that housing expenses be 30% or less of income. The following table identifies the monthly expenses that would be affordable to moderate income households.

Moderate Income Housing Affordability

	Monthly Income (2020 Dollars)	Affordable Housing Expenses (30 % of Income) (2020 Dollars)
Moderate Income 80% AMI	$4,533	$1,360

Housing Stock

Structure Mix

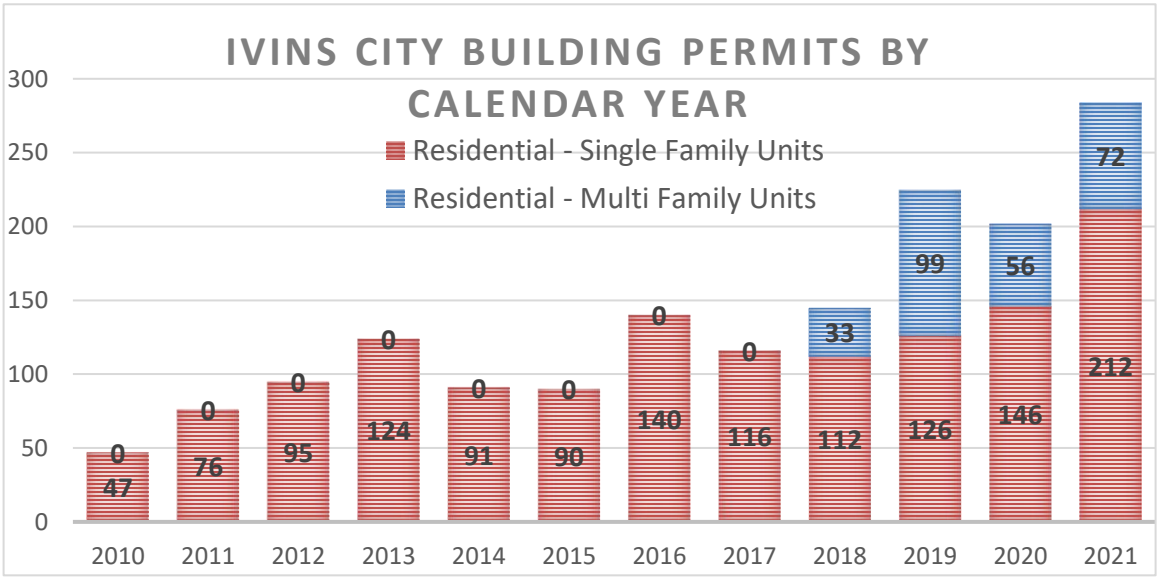
Ivins City has calculated the following mix of housing stock in 2022 based on multiple sources of data including building permits, utility accounts, and aerial imagery.

Ivins City Housing Units (2022)

Housing Type	Units
Single Family Home	4,095
Attached Townhomes	203
Other Apartments	97
Townhome Apartments	35
Duplexes	18
Condominium	20
Triplexes	12
Total Housing Units	4,480
Primary Households	84.89%
Total Primary Housing Units	3,803

Age of Housing Stock

The Ivins City housing stock is relatively young with only 445 units (10 percent) constructed prior to 1980. 1635 units have been constructed since 2010 which represents 37 percent of the total housing. The following chart shows the building permits that have been issued in this period.

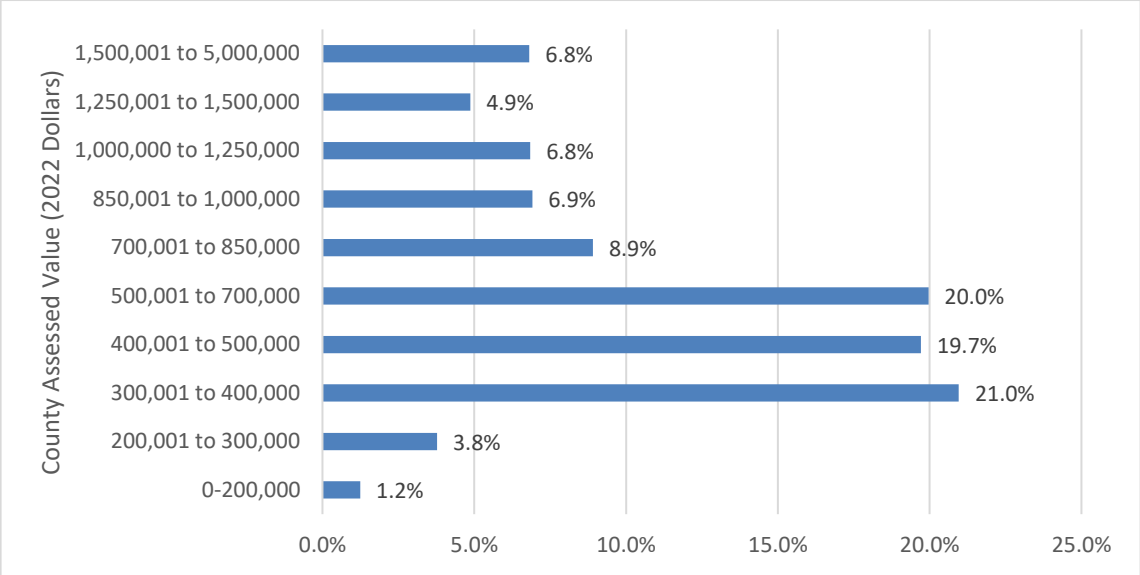


As part of efforts to increase opportunities for affordable housing, the City has encouraged more multi-family housing. Over the past four years, 260 multi-family housing units have been permitted for construction to give the City a total of 385 multi-family units. This represents 67 percent of the total multi-family housing in the City.

Value of Existing Housing Stock

The current market value of the housing stock is used to determine affordability of home ownership. The chart below shows the 2022 market values of existing homes in Ivins City according to the Washington County Assessor.

Market Value of Existing Properties



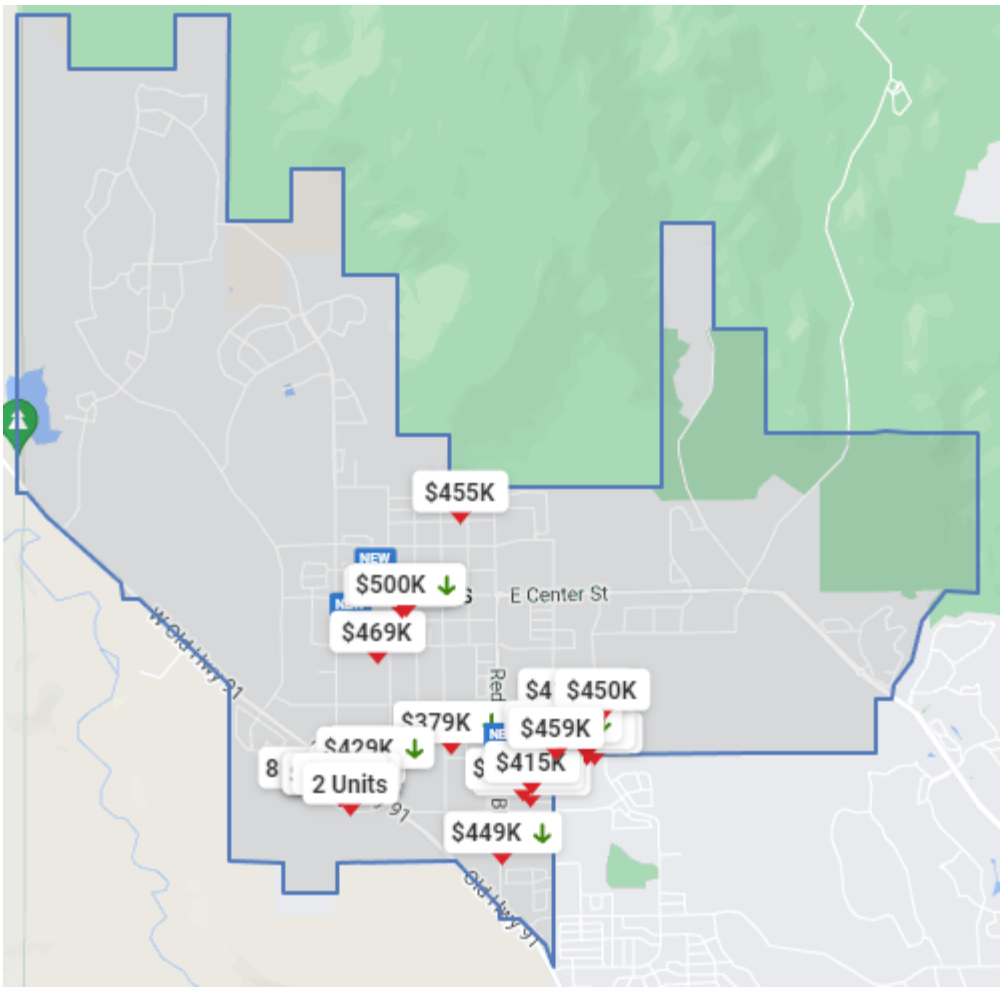
According to the County Assessor's data, the median home value is 525,000.

Ivins City Real Estate

Property research conducted on www.realtor.com indicates that there are 89 total homes (including all types) for sale in Ivins City as of September 2022. The median asking price is $630,000 and ranges in value from $374,900 to $5.5 million.

The following map copied from realtor.com shows the locations of 35 homes that are currently for sale listed at prices less than $500,000.

Homes in Ivins City Listed For Sale Less Than $500,000



Affordability of Available Real Estate

This analysis shows the affordable home price for low- and moderate-income households. The table uses the data from the 2020 American Community Survey for household income. The income is then inflated by 14.5% based on the last two years of inflation calculated by usinflationcalculator.com. It is reasonable to assume that wages have kept up with inflation when considering the current tight job market. It is even possible that low wage earners wages have exceeded inflation since entry level positions have benefited from some of the highest levels of wage inflation.

Home affordability has been identified as representing 30 percent of the household income to cover the costs of a mortgage, insurance, property taxes, and utilities.

Analysis of Affordability

	Income Threshold 2020 Dollars	Income Adjusted to 2022*	30% Affordable Threshold	Affordable Monthly Payment	Affordable Home Price**	Available Listings
Median Income	68,000	$77,860	$23,358	$1,947	$330,000	0

Moderate Income (80%)	54,400	$62,288	$18,686	$1,557	$254,000	0
Low Income (50%)	34,000	$38,930	$11,679	$973	$144,000	0
Very Low Income (30%)	20,400	$23,358	$7,007	$584	$64,000	0
* Income adjusted 14.5% based on usinflationcalculator.com ** Factoring $175/month utilities, 6.0% mortgage rate, 80% equity (no mortgage insurance), $40/month insurance, and property taxes of 0.527%.						

As shown in the table above, none of the current available listings are priced low enough to be considered affordable by these standards. Mortgage interest rates have increased from all-time lows of three percent two years ago to recent highs of six percent. This increase has had a major impact on housing affordability but it may also cause housing prices to slump over the next few years.

Condition of Housing Stock

Approximately 13% of housing in Ivins is more than 30 years old. Homes older than 30 years generally require more rehabilitation than newer homes. According to a housing condition survey conducted by the Five County Association of Governments in 2009, 6 homes (0.24%) are either severely deteriorated or dilapidated, which is a slightly lower percentage than other cities in Washington County. Severely deteriorated homes are those that are beyond acceptable limits and need several major repairs; while dilapidated homes are uninhabitable and need to be completely replaced. We believe that a new survey would continue to show a very ow number of homes needing rehabilitation.

Housing Affordability

According to current State and Federal definitions, housing is considered affordable when a household spends no more than 30% of their annual income on housing expenses, including mortgage or rent and utilities. In Ivins City, Utah, the 2020 Area Median Income was $68,000 annually or $5,667 monthly. We can adjust this number to account for significant wage inflation over the past two years. Based on usinflationcalculator.com, price inflation has been 14.5 percent from 2020 to 2022. It is reasonable to assume that wage income has kept up with price inflation due to worker shortages. So we can adjust the income 2022 median income to $77,900 annually and $6,490 monthly. This would make the 30% affordable housing threshold $1,947 per month for a median income earning household in Ivins City.

The purpose of this plan is to ensure that housing is affordable for all income levels, not just those earning a median income or higher. The table below summarizes the maximum monthly affordable housing costs for several income levels in Ivins City.

Maximum Housing Allocation (30% of Gross Income)

	Income Threshold 2020 Dollars	Adjusted to 2022*	30% Affordable Threshold	Affordable Monthly Payment
Median Income	68,000	77,860	23,358	1,947
Moderate Income (80%)	54,400	62,288	18,686	1,557
Low Income (50%)	34,000	38,930	11,679	973
Very Low Income (30%)	20,400	23,358	7,007	584
* Income adjusted 14.5% based on usinflationcalculator.com.				

In order to meet state and federal definitions of affordable housing, housing should be affordable for households earning 80 percent of the area median income (moderate income). $1,557 is the maximum monthly payment for a mortgage or rent and utilities for a moderate income earning household was still considered affordable in 2022.

Affordability of home ownership and rental affordability are inherently different. Rental rates do not correlate directly with the market value of homes. Therefore, each will be analyzed individually.

Affordability of Home Ownership

The City analyzed the affordability of homes in Ivins by first calculating the thresholds of affordability for median, moderate, low, and very low income thresholds. Then, research was conducted of listings on www.realtor.com. The City found 89 listings for homes in the City. Of those homes, none were attainable by median, moderate or low income households.

Analysis of Affordability

	Income Threshold 2020 Dollars	Income Adjusted to 2022*	30% Affordable Threshold	Affordable Monthly Payment	Affordable Home Price**	Available Listings
Median Income	68,000	$77,860	$23,358	$1,947	$330,000	0
Moderate Income (80%)	54,400	$62,288	$18,686	$1,557	$254,000	0
Low Income (50%)	34,000	$38,930	$11,679	$973	$144,000	0
Very Low Income (30%)	20,400	$23,358	$7,007	$584	$64,000	0
* Income adjusted 14.5% based on usinflationcalculator.com ** Factoring $175/month utilities, 6.0% mortgage rate, 80% loan (no mortgage insurance), $40/month insurance, and property taxes of 0.527%.						

This analysis shows a lack of available, affordable homes across the range of incomes. There are seven listings of property that are listed below $400,000. A $400,000 home

would result in an estimated payment of $2,225 per month, including utilities[1]. That amount would be approximately 35% of the gross monthly income of the median household and 49% for a moderate income household (80% AMI). Due to this mismatch of affordability we may see housing prices start to fall.

Affordability of Rent

According to the 2020 American Community Survey, 16.2 percent of housing units are renter-occupied. Based on 2022 housing unit estimates, there are 616 households that rent in Ivins City. Unfortunately, rents have also been increasing for the past two years as there appears to be shortage in rental units. According to rentometer.com, the 25 percentile, median, and 75 percentile rents are as follows:

Ivins City Market Rental Rates

	25 Percentile	Median	75 Percentile
4 Bedroom	$2,313	$3,100	$3,724
3 Bedroom	$1,965	$2,100	$2,369
2 Bedroom	$1,406	$1,995	$2,215

Both rent and the price to purchase a home have been increasing. This has impacted the availability of affordable housing in Ivins. The current vacancy rate of rentals is less than 1 percent for Ivins and most of the County. Median rent rates are not affordable for those earning the area median income. This pattern is indicative that rental options for the extremely low and very low income populations are limited.

Special Needs Housing

It is important for Ivins City to address housing for those with special needs. People with special needs may include elderly or disabled people living on a fixed income, the homeless, or those otherwise in need of specialized or supportive housing.

There are an estimated 2,776 people who are aged 65 and over living in Ivins City. The senior population now constitutes 30.8% of the total population; up from 12.3% in 2000 and 19.8% in 2010. This increase in the number of older adults can be attributed in part to a localized reflection of the national trend of an aging baby boomer population and the attraction Ivins has for retirees.

Many of the elderly who own their homes are living on fixed incomes, and their housing affordability is affected by property values, maintenance, and utility costs. Some options that may be available to senior citizens on the county, state, or federal level could include property tax deferred payment programs, tax and mortgage foreclosure prevention services, home rehabilitation and weatherization programs, and utility assistance programs.

[1] Factoring in utilities of $175 per month, a 6.0% interest rate, 20% down payment on purchase, and property taxes of .527%.

Many elderly citizens can no longer remain in their own homes for a variety of reasons. As these citizens move out of their homes, demand for senior rental housing opportunities will increase.

Analysis of Special Needs Housing

There is one housing facility in Ivins designated for seniors or people with disabilities. A 108-bed nursing home was built to house Washington County veterans. Ivins is in close proximity to St. George and other larger communities that provide specialized housing to meet some of the demand for specialized housing. As Ivins grows the need for additional specialized housing facilities will likely follow. Allowing and encouraging this type of development will increase housing choice for those with special needs to live in the community.

Zoning Regulatory Environment

In order to evaluate the potential for moderate income housing in the community, it is important to understand the regulatory environment for residential housing. Zoning regulations govern the use and lot size for new developments. These regulations have a direct impact upon the opportunity to provide affordable housing within the community.

Survey of Residential Zoning

The City of Ivins includes various residential zoning districts, which permit single family dwelling and various densities. Title 16 of the City's Zoning code classifies residential zoning districts into six categories:

1. Agricultural (A-20): primarily for agricultural use, allows low density residential uses, limited to one unit per 20 acres.
2. Residential Agriculture (RA-5, RA-1): allows low density residential uses, restricted to 1 unit per 5 acres and 1 unit per acre.
3. Residential Estates Districts (RE-43, RE-37, RE-25, RE-20, RE-17.5, RE-15, RE-12.5): intended to preserve and protect low to medium density single family dwelling ranging from lot sizes of 12,500 sq. ft. to 43,000 sq. ft.
4. Single-Family Residential (R-1-10, R-1-7.5, R-1-5): provided for medium to high density single family residential dwellings from lot sizes of 1 unit per 5,000 sq. ft. to 10,000 sq. ft.
5. Multiple Residential (R-M, R-M-TH, R-2-6, R-2-10): provide to allow high density and multiple family uses, including duplexes, townhouses, and apartments.

The majority of the area within Ivins City is zoned for single family residential units, with several pockets zoned multiple residential and one small mobile home area. Two family dwelling units are permitted within the R-M, R-M-TH, R-2-10 and R-2-6 districts. Multiple family dwellings and/or condos are only permitted within the R-M and R-M-TH districts and are listed as a conditional use. The R-M-TH zone required the multi-family buildings to meet townhome style developments. Single family dwellings are permitted

within all residential zones. Casitas are permitted within most residential zones when associated with the construction of the primary dwelling unit and conditional when proposed at any time after and are restricted to the occupancy of family members or nonpaying guests. Nursing homes are a conditional use within the R-M zone only and prohibited in all other zones. “Residences for persons with a disability” is a conditional use within all residential zones and “Residential facility for elderly persons” is permitted in all residential zones.

Goals, Objectives, Strategies

Very low and extremely low income earning households typically do not have the opportunity to rent or purchase affordable housing in the private market. This is expected, due to the general inability of the private market to produce such housing without federal assistance. Ivins has been, and will continue to be, responsive to developers and organizations that can find additional resources to make such housing opportunities available.

GOALS

1) Rezone for densities necessary to facilitate the production of moderate-income housing.

2) Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.

3) Ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing.

STRATEGIES

Ivins City desires to have a variety of different housing types. Historically, density bonuses in overlay districts have been established to encourage moderate-income housing. As construction and land costs vary, Ivins will continue to evaluate new solutions and potential financial opportunities for the housing needs of our residents, including possible annexation opportunities. The City will look for areas of higher densities to best complement our diverse neighborhoods. We will look for land use planning standards for missed-use housing projects along transportation corridors for easy connection throughout the community.

Ivins City leadership, Affordable Housing Committee and Staff seek ways to engage with State, Federal, and County agencies, School Districts, and neighboring communities to address our collective moderate-income housing challenges in a way that aligns with defining features of our General Plan. Ivins City will strive to accomplish these goals by considering amending our Land Use Plan and setting agendas for discussing each solution

and moving forward with good legislation that encourages housing solutions. We will meet with other cities and inter-agencies to see where common ground can be found.

Benchmarks

The goals, objectives, and strategies should be evaluated periodically and revised as needed.

[End of Document]