

Land Use Strategies to Bring Housing Back Within Reach

Utah APA Spring Conference
May 2024



Process



ASK THE EXPERTS

Interviews with across the state; collaborated during stakeholder meetings

EXTENSIVE RESEARCH

Literature review, national research, and research and analysis with RCLCO

LOCAL ANALYSIS

Analysis of 35 municipalities zoning and ordinance regulations. Included 14 counties, 21 cities (11 urban 10 rural)

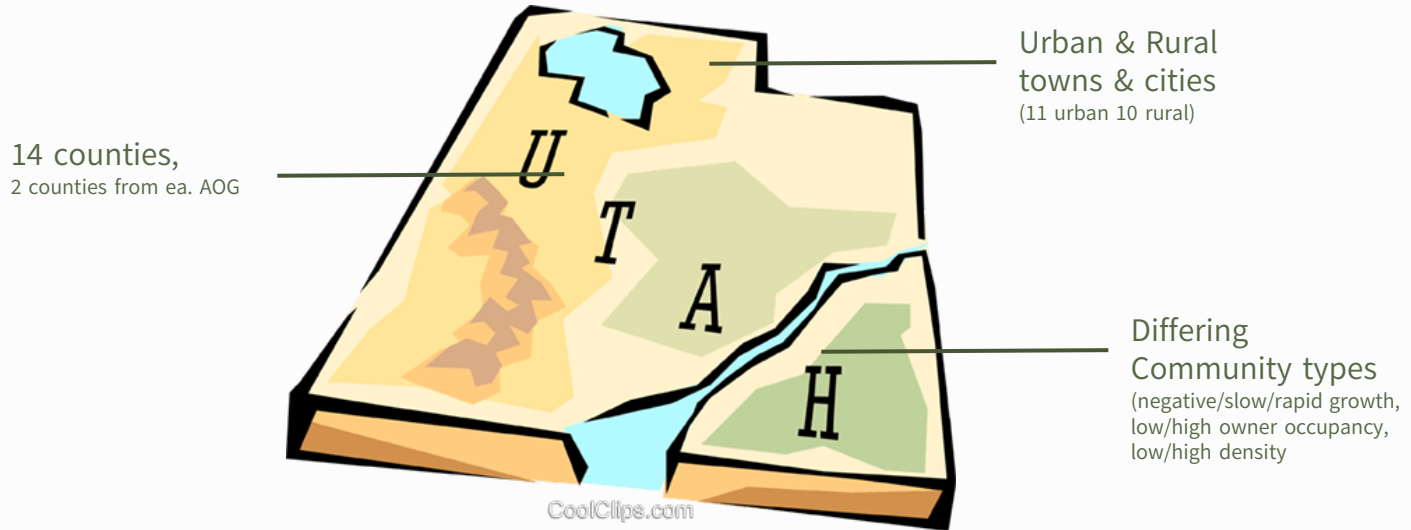
EVALUATE THE RECOMMENDATIONS

Evaluation of findings and recommendations with stakeholders

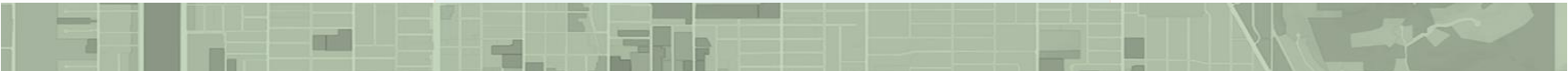


Utah Zoning Research Findings

Q: Where did we do the analysis? A: **STATEWIDE**



Regulations are a Small Piece of the Pie



Why does housing matter?

KETCHUM HOUSING MATTERS

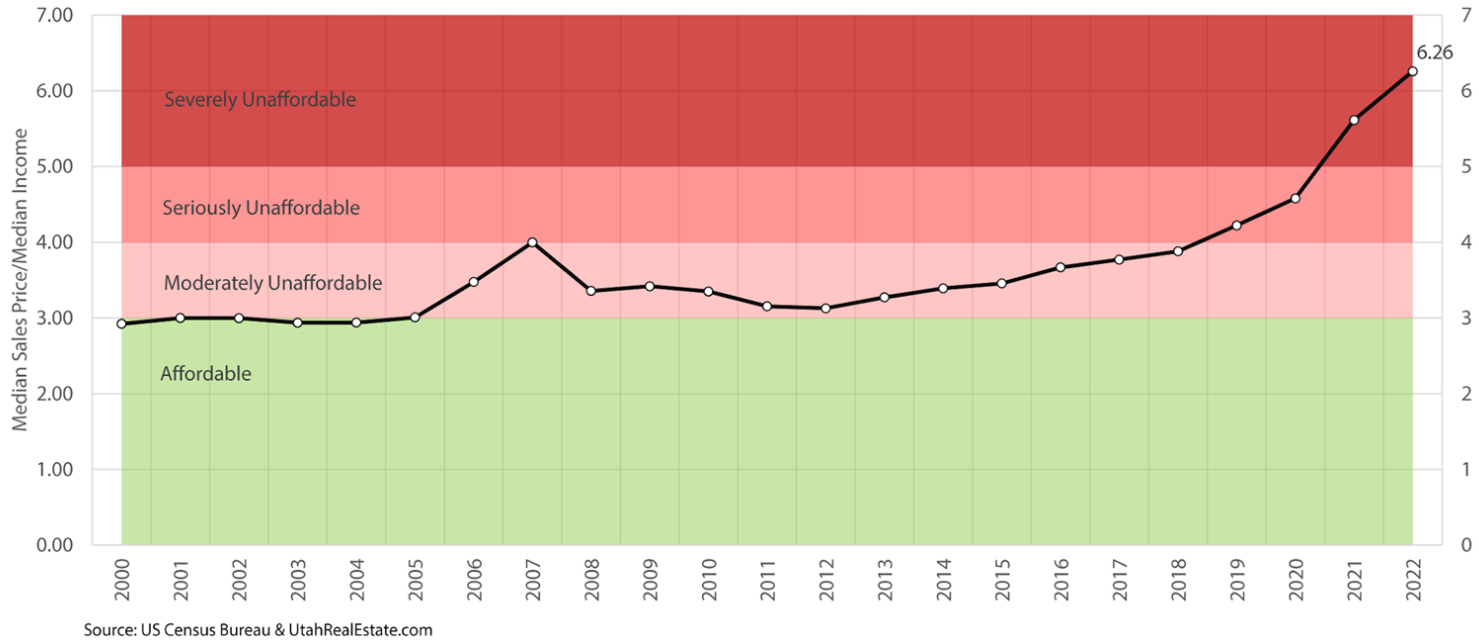


TASK FORCE

- Upward mobility
- Education
- Water use
- Essential services
- Transportation
- Local economy
- Homelessness
- Family
- Equity
- Health
- Environment

Utah's Most Unaffordable Market in History

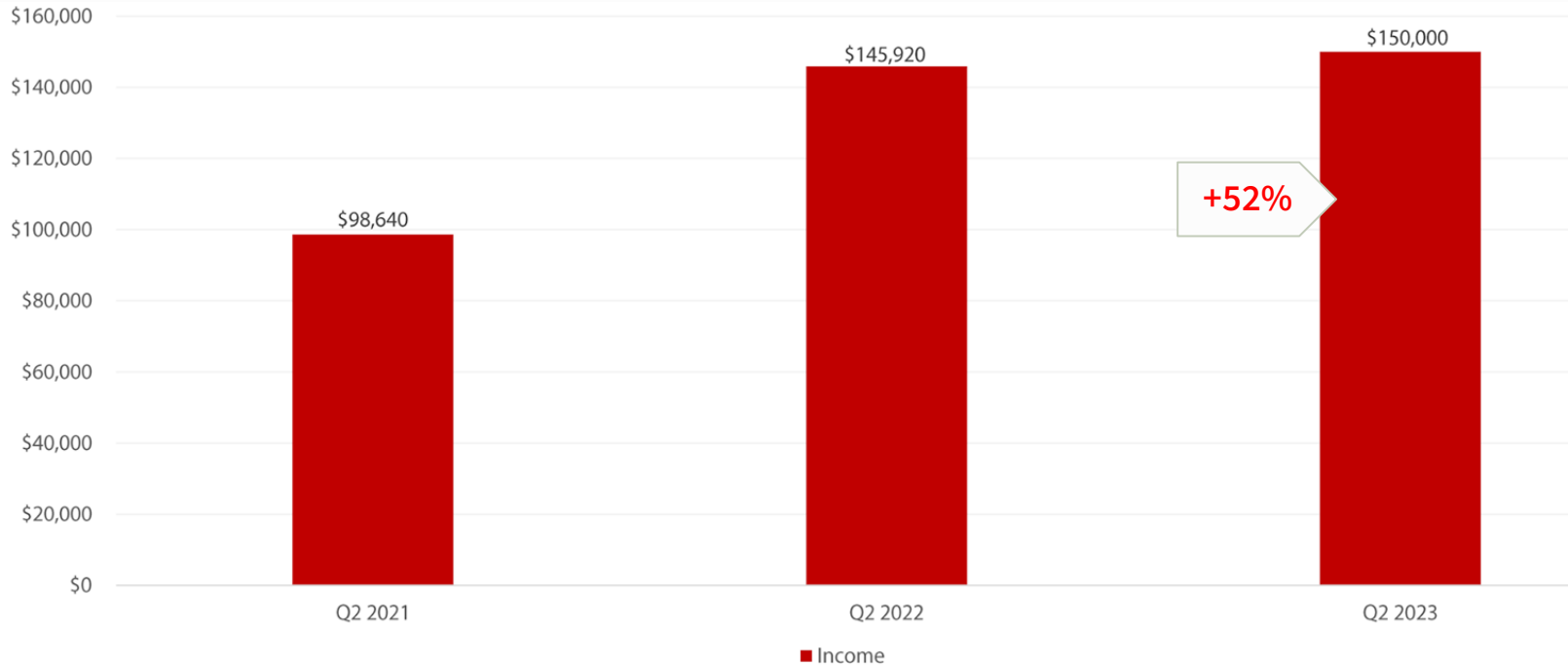
Utah Median Multiple Affordability Rating, 2000-2022



Source: Kem C. Gardner Policy Institute

Income Requirements Keep Increasing - Utah is Priced Out

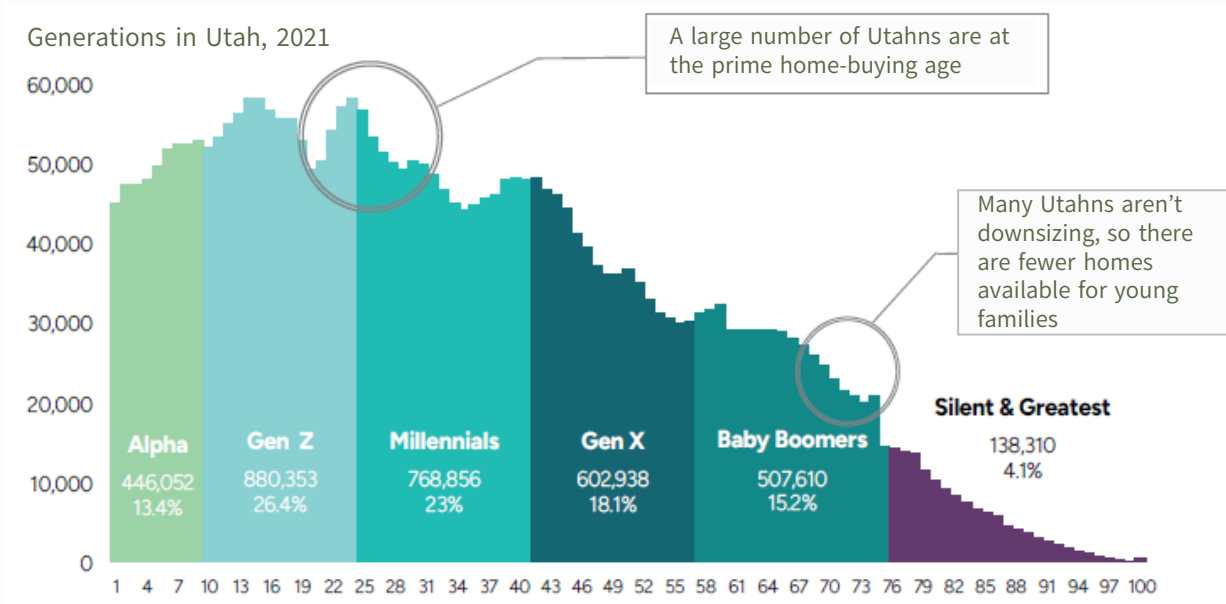
Income Required to Finance Median Priced Home



Source: Kem C. Gardner Policy Institute, Freddie Mac, UtahRealEstate.com

Housing Attainability is Influenced by Many Factors

High housing demand to accommodate population growth, which is fueled by young Utahns



Source: Kem C. Gardner Policy Institute

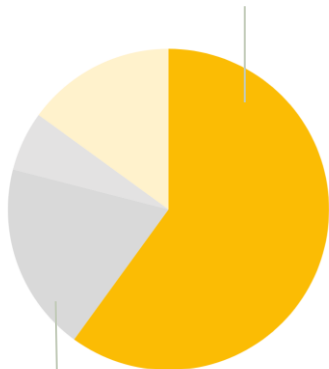


Research Findings:

What does the public say?

URBAN

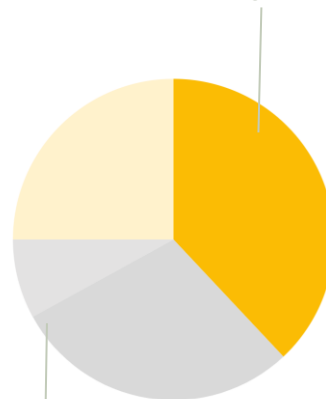
60% Prefer **new housing development everywhere**, including new areas, existing neighborhoods, and transit stations and centers



Only 19% Prefer to restrict housing to try to stop growth

RURAL

38% Prefer new housing in both **new and existing areas**



Only 29% Prefer to restrict housing to try to stop growth

Utah Zoning Research Findings

What's the status in our current zoning?



Utah city zoning map by residential zone type



SMALL LOTS TYPICALLY NOT ALLOWED:

Only 9 of 35 jurisdictions allow lots <7,000 sq ft in any single-family zone, and only 4 allow them on ~ 10%+ of land

LOTS ARE TYPICALLY LARGE:

Typical urban min lot size is 10,000-12,000 sq ft

MULTI-UNIT HOMES ARE OFTEN ILLEGAL:

Multifamily, duplexes, & townhomes are illegal in nearly ½ of all residential zones, and permitted by-right in only 22%

LIMITED MIXED-USE OPPORTUNITY:

Mixed-use zones account for <4% of zones, and less than ½ of jurisdictions allow any housing in commercial zones

Local Government

Proposed Recommendations

1. Allow smaller lot sizes

- 5,000 sq ft or smaller create an inventory of entry-level or “starter” homes
- These are generally more affordable because there is less land cost



3 single family homes on 30,000 sq ft of residential land in Utah:

Lot size:

10,000 sq ft

Home size:

2,500 sq ft

Home price:

\$412,500

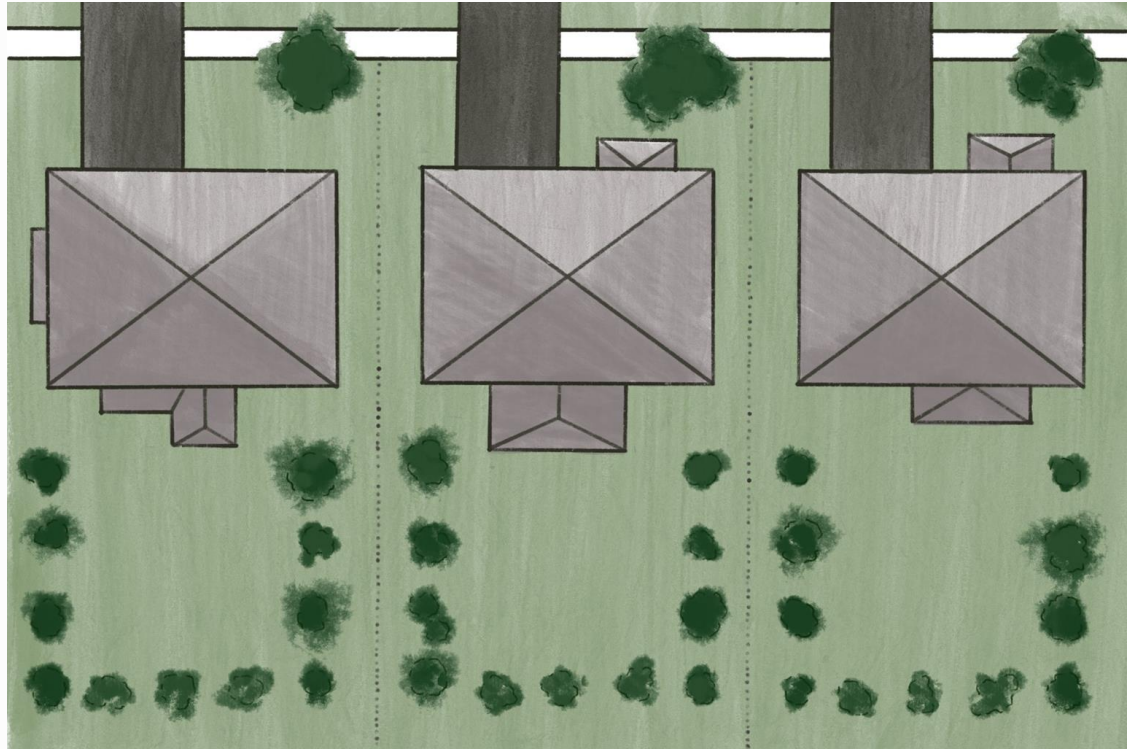
Land price:

\$311,754

Builder profit: 10%

Total home price:

\$796,679



6 single family homes on 30,000 sq ft of residential land in Utah:

Lot size:

5,000 sq ft

Home size:

2,500 sq ft

Home price:

\$412,500

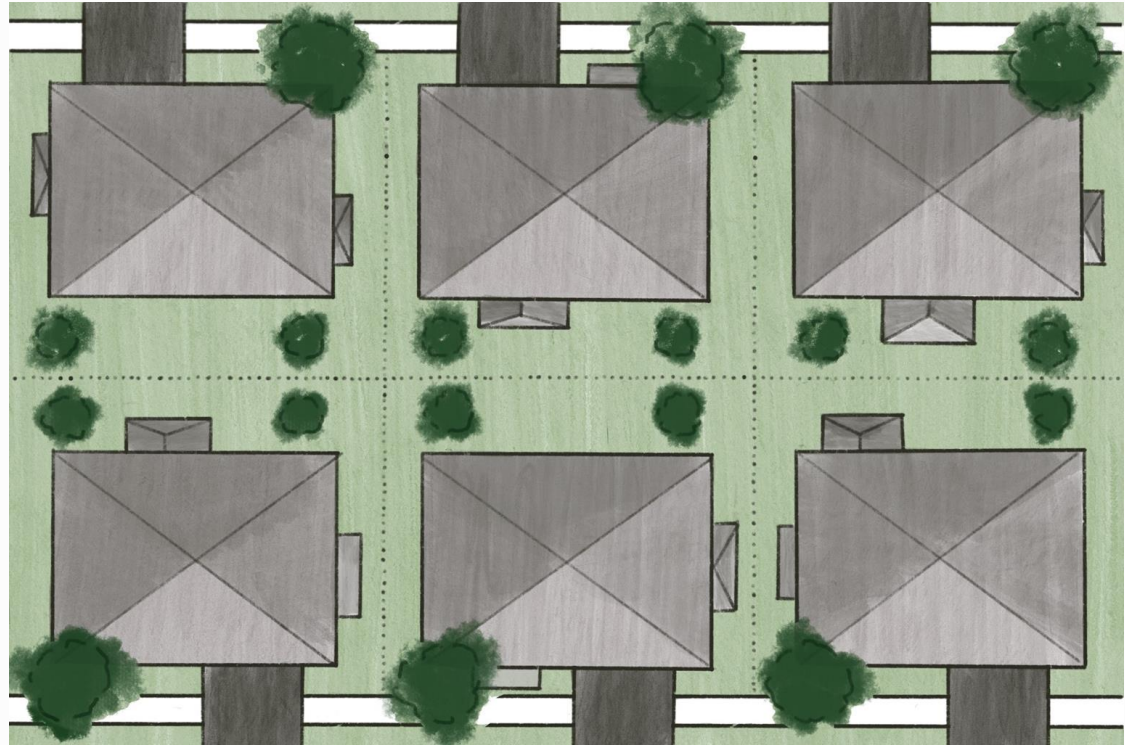
Land price:

\$155,877

Builder profit: 10%

Total home price:

\$625,215



22% price reaction - (plus additional land conservation and increased supply benefits)

2. Allow more than one housing unit per lot and per building.

- Multi-unit homes can look like a single-family home
- Effective approach is to permit them in single-family zones
- Has a notable impact on housing supply



Utah multi-unit home

3. Facilitate smaller homes.

Homes are getting larger, despite decreasing household sizes.
Since 1970:



Utah household size declined from 3.6 to 3.1 (14%)



Average new Wasatch Front single-family home size increased from 2,002 to 3,240 sq ft (61%)

4. Promote mixed-use development.

- Allow multifamily housing in commercial and office zones
- Allow strip malls, big box stores, and parking lots to be redeveloped into mixed-use areas that include housing
- Right-size parking, shared parking, and structured parking



WHY SHOULD CITIES DO THIS?

Case Studies: Tax Revenue Impacts of
Office- or Retail-to-Housing Redevelopments



PREVIOUSLY USED AS:

22,000 SF of Office
Sales Tax to City: \$0
Property Tax to City: \$9,765
Total Revenue to City: \$9,765

CURRENTLY USED AS:

120 Apartments
Sales Tax to City: \$6,071
Property Tax to City: \$82,769
Total Revenue to City: \$88,840

+\$79,075



6,650 SF of Restaurant
Sales Tax to City: \$8,794
Property Tax to City: \$4,974
Total Revenue to City: \$13,768

214 Apartments
Sales Tax to City: \$11,949
Property Tax to City: \$150,011
Total Revenue to City: \$161,959

+\$148,191

WHY SHOULD CITIES DO THIS?

Case Studies: Tax Revenue Impacts of
Office- or Retail-to-Housing Redevelopments

Moda Highland Park, SLC



PREVIOUSLY USED AS:

18,869 SF of Retail
Sales Tax to City: \$5,996
Property Tax to City: \$3,165
Total Revenue to City: \$9,161

CURRENTLY USED AS:

40 Rental Townhomes
Sales Tax to City: \$2,725
Property Tax to City: \$31,091
Total Revenue to City: \$33,816

+\$24,655

Mill Creek Towns, SLC



2,500 SF of Retail
Sales Tax to City: \$0
Property Tax to City: \$1,421
Total Revenue to City: \$1,421

10 Rental Townhomes
Sales Tax to City: \$581
Property Tax to City: \$4,059
Total Revenue to City: \$4,640

+\$3,219

5. Reduce development delays and costs.

- Simplify codes
- Consider pre-approved designs to increase supply and maintain community character
- Expedite affordable housing plan review and permitting or waive fees
- Permit more multi-family, attached, and small single family housing by-right

Examples of Pre-approved Building Plans
Seattle, WA; Roanoke, VA; Eugene, OR



6. Facilitate the use of offsite construction techniques.



- Allow manufactured housing by-right on owner occupied lots
- Adopt standards for offsite modular construction, inspection, and compliance
- Allow small units

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PREPARED FOR



**WORKFORCE
SERVICES**
HOUSING & COMMUNITY
DEVELOPMENT

NOVEMBER 2023

