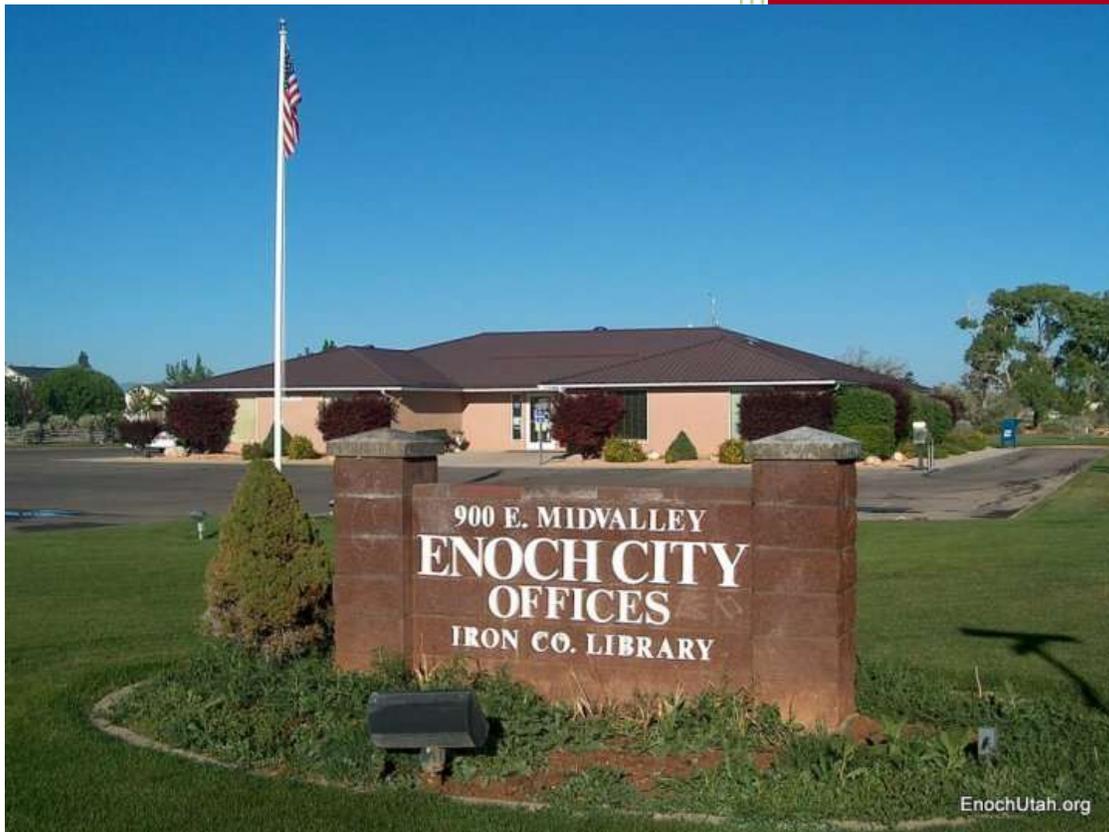


2012

## Enoch City: Affordable Housing Plan



**Table of Contents**

**Executive Summary** ..... 3

**Introduction** ..... 4

**Demographics** ..... 4

*Population and Growth* ..... 4

        Analysis of Population and Growth ..... 5

*Income* ..... 5

        Analysis of Income ..... 6

**Housing Stock** ..... 6

*Housing Occupancy and Vacancy* ..... 6

        Single-Family Housing ..... 6

        Multi-family Housing ..... 6

*Value of Housing Stock* ..... 7

*Enoch Real Estate* ..... 7

        Single-Family Housing for Sale ..... 7

*Age of Housing Stock* ..... 8

*Subdivision and Infill Lots* ..... 8

*Condition of Housing Stock* ..... 9

*Enoch Housing Survey* ..... 9

        Current Situation ..... 9

        Future Needs ..... 9

        Lot Size ..... 9

**Housing Affordability** ..... 10

*Affordability of Home Ownership* ..... 11

        Analysis of Housing Affordability – Home Ownership ..... 12

*Affordability of Rent* ..... 12

        Analysis of Housing Affordability – Rent ..... 13

*Special Needs Housing* ..... 13

        Analysis of Special Needs Housing ..... 13

**Gaps and Needs in Affordable Housing** ..... 14

*Current Gaps* ..... 14

*Gaps in the Next Five Years* ..... 14

**Goals, Objectives, Strategies** ..... 14

**Benchmarks** ..... 16

**Priorities and Timelines** ..... 16

# Enoch City: Affordable Housing Plan

## Executive Summary

The intent of this affordable housing plan is to ensure that Enoch City provides a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of the population desiring to live in Enoch City.

The population of Enoch is expected to increase over the next 10 years. Nearly half of all Enoch households are earning a moderate income or less, which means that demand for affordable home ownership and rental opportunities will increase.

There is currently a surplus of affordable housing in Enoch. However, the current surplus that exists will not be sufficient to satisfy the rising population demands for housing. In addition, a significant percentage of the existing housing stock in the city is more than 30 years old. In order to maintain a healthy housing stock capable of providing safe, decent, and affordable living conditions for residents, active maintenance and improvements to the housing stock is necessary.

The *Housing Estimating Model/Software*, provided by the Utah State Department of Community and Culture and Lotus Community Development Institute, indicates that moderate income households in Enoch City have sufficient affordable rental and homeownership opportunities. The abundance of affordable housing clearly indicates that the current zoning, land use, and regulations are not inhibitive to affordable housing opportunities.

Even though moderate income earning households have sufficient affordable housing options, the *Housing Estimating Model/Software* indicates that households earning less than a moderate income do not have sufficient opportunity to purchase or rent affordable homes. In addition, Enoch's population of persons aged 65 and older is expected to increase significantly over the next five years. This will require several additional senior housing units.

The following goals are recommended to maintain adequate affordable housing choice for all those who wish to reside in Enoch City:

- **Increase Opportunities to Purchase Affordable Housing to Provide Housing Choice for Very Low and Extremely Low Income Earning Households** by promoting use of the USDA Rural Development loan programs.
- **Increase Affordable Rental Opportunities to Provide Housing Choice for All Income Ranges** by allowing accessory apartments, and working with the Cedar City Housing Authority.
- **Rehabilitate Existing Housing to Increase Rental Properties, Homeownership, and Reinvestment in Enoch City** by promoting federal and state funded home rehabilitation and weatherization programs.
- **Increase Affordable Senior (65+) Housing to Accommodate the Projected Growth of the Aging Population** by identifying infill development areas.

## 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. Housing is considered affordable when moderate income households must spend no more than 30% of their gross monthly income on housing expenses.

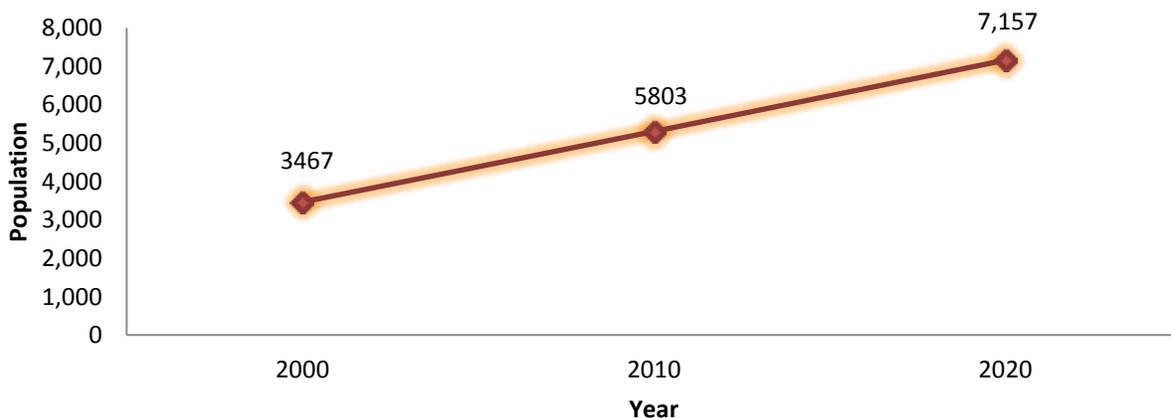
The intent of this affordable housing plan is to ensure that Enoch City provides a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of the population desiring to live in Enoch City. Moderate income housing should be encouraged to allow persons with moderate incomes to fully participate in, and benefit from all aspects of neighborhood and community life.

## Demographics

### *Population and Growth*

Since 2000 Enoch City has seen the population increase by 2,336 people to bring the total population to 5,803 in 2010. According to the Governor’s Office of Planning & Budget the annual growth rate has averaged 4.34% over the last 10 years, but is expected to decrease to an annual average of 3.05% over the next 10 years. If the projected growth rate is realized, Enoch City will gain an additional 1,354 new residents by 2020. The graph below shows the population projection for the next 10 years.

**Enoch City Population Projections**



Source: Governor’s Office of Planning & Budget

## **Analysis of Population and Growth**

The projected population increase of 1,354 new residents in the next 10 years is significant because 356 new households will need a place to live in Enoch. By dividing the estimated population increase by Enoch's average household size (3.8) the total number of new households can be calculated ( $1354/3.8 = 356$ ).

There are an estimated 128 vacant dwelling units in Enoch according to the 2010 US Census. Although it is likely that many of the future residents will fill some of the vacant units, the vacant housing stock will not be sufficient to accommodate all of the estimated households over the next 10 years. In addition, the existing housing stock will have to be maintained and in some cases, rehabilitated, in order for the units to safe, decent places to live.

Households that earn a moderate income and less make up 43% of Enoch's population. Of the 356 new households that move to Enoch over the next 10 years, 82 will need affordable housing options. To meet this need on a yearly basis, Enoch will need 8 available housing units that are affordable for these low to moderate income households.

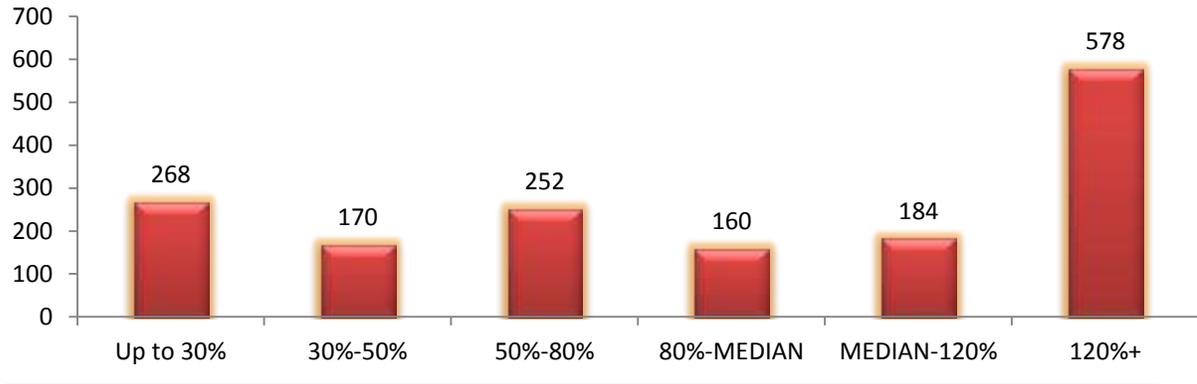
According to the Housing Estimating Software, Enoch currently has a surplus of affordable housing units for households that purchase a home. However, it is important to provide adequate opportunities for low to moderate income households to rent as well. According to current estimates, only 1 of the future households will need an affordable rental each year, and the other 7 will likely purchase their home.

## ***Income***

Analyzing the income of Enoch's residents is critical to understanding the affordable housing need for the city. Household income is used to determine housing affordability. First, affordability standards will be identified. Next, the existing home values, homes for sale, and rent rates will be compared with household income levels to determine if there is an affordable housing need in Enoch.

Because the cost of living is relative to the area in which the residents live and to household size, the U.S. Department of Housing and Urban Development has created a measure called the Area Median Income (AMI). The AMI is the standard to determine housing affordability. The chart below converts household income levels into AMI, and illustrates the number of Enoch households whose total income falls within each income bracket.

**Number of Households by Percent of AMI**



Source: US Census 2010; Housing Estimating Model/Software

**Analysis of Income**

43% of Enoch households earn a moderate income, which is 80% of the area median income (\$48,700) or less. Perhaps even more important, 17% of all Enoch households earn just 30% of the area median income (\$14,610). Households that earn just 30% of the area median income find it very difficult to live within the affordable housing guidelines. It is vital to the well being of the community that households of all income levels have housing options.

**Housing Stock**

***Housing Occupancy and Vacancy***

According to the 2010 US Census data there are an estimated 1,714 housing units in Enoch. 1,586 (92.5%) of the housing units were occupied while 109 (6.9%) were vacant. Of the 1,586 occupied housing units, 1,390 (87.6%) were owner occupied, and 196 (12.4%) of the units were rented.

**Single-Family Housing**

In terms of single-family housing, the 2009 American Community Survey estimates that Enoch has 1,514 single-family detached units and 195 mobile home/trailer units.

**Multi-family Housing**

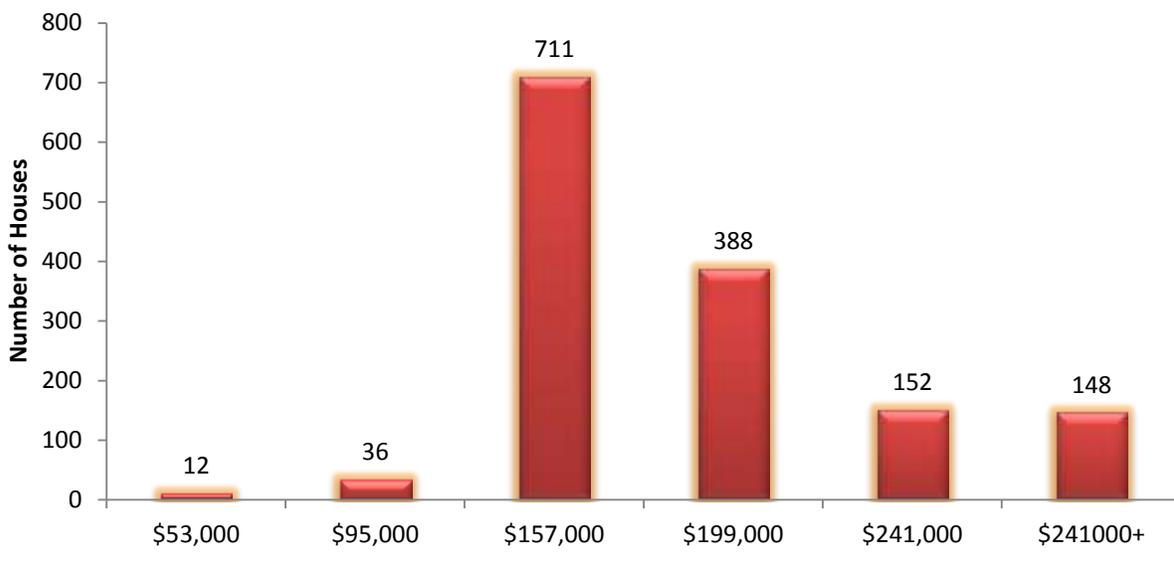
Enoch has very few multi-family housing units. There are currently no apartment complexes. According to Enoch City staff, Enoch currently has 5 duplex units in that were built as multi-family dwellings. Enoch’s Planning Commission has been working on making some changes to the zoning ordinance so that single-family dwellings can legally be multi-family (accessory apartments such as basement rentals, etc.), but only if the

owner occupies the home. At the time of our conversation the proposed change had not finished the review process by the Planning Commission.

**Value of Housing Stock**

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

**Market Value of Existing Properties**



Source: Iron County Assessor, 2009 Data

**Enoch Real Estate**

Property research conducted on [www.realtor.com](http://www.realtor.com) indicates that there are currently 65 total properties for sale in Enoch as of February 16, 2012. The median asking price is \$150,000. The average number of bedrooms per housing unit is 3.8. There are no multi-family properties for sale in Enoch so only single family housing will be covered in more detail.

**Single-Family Housing for Sale**

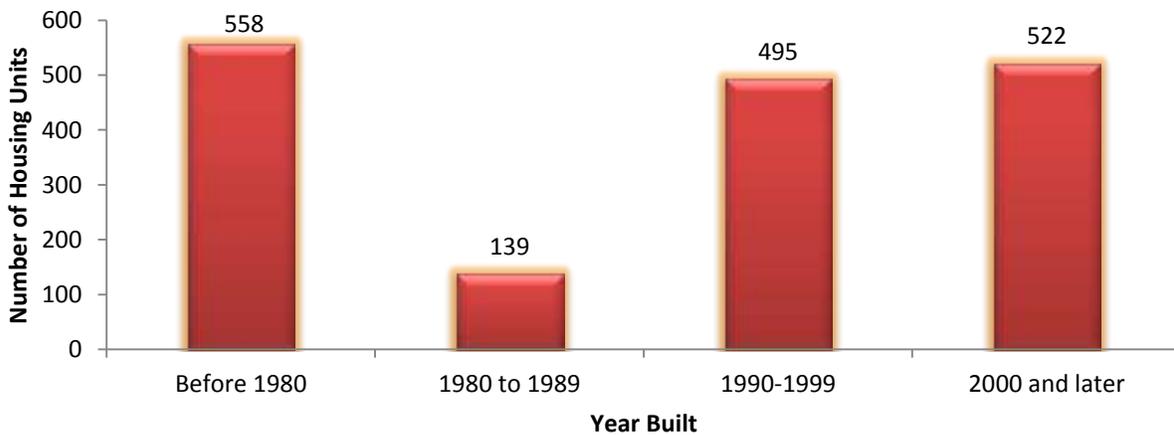
There are 61 single family homes for sale with a median asking price of \$159,900. The average number of bedrooms per housing unit is 3.9. Of the 61 homes for sale, 47.5% (29) of the homes for sale are listed below \$157,000, which is an affordable home to moderate income households; 21.3% (13) of the houses are below \$95,000, which is affordable for very low income households; and 1.6% (1) of the houses are affordable to extremely low income households.

There are 4 mobile homes with a median asking price of \$59,900. The average number of bedrooms per mobile home is 2. Half (2) of the mobile homes for sale are affordable for all income levels. The other half are affordable for very low income earning households and above.

***Age of Housing Stock***

33% of the housing units in Enoch are more than 30 years old. Due to the age of the housing stock, rehabilitation efforts are likely necessary. New population growth over the last 20 years has bolstered new construction in Enoch. Maintaining these newer constructed homes will keep the housing stock viable longer. Maintenance is in the best interest of the City and homeowners to keep housing stock affordable. There are several federal and state programs available to help low-income households maintain their homes. These programs should be actively promoted to the citizens.

**Age of Housing Stock**



Source: American Community Survey 2009; Housing Estimating Model/Software

***Subdivision and Infill Lots***

There are currently twenty-one 1/2 acre lots available for purchase. The Dairy Glen subdivision, located northwest of Minersville Highway was developed with improvements. The Park View subdivision, which originally planned to have more than 400 homes, has only one constructed home and close to 80 platted lots, but the lots likely will never be improved due to earth fissures. There are at least five other subdivisions that never materialized due to weak housing demand and environmental constraints such as prairie dogs.

Infill lots are vacant lots that are located in areas where development has already occurred. These lots already have required infrastructure, and eliminate sprawl. These are

excellent sites that can be promoted to home builders as a mechanism for making housing more affordable. Enoch has an estimated 100 infill lots spread among many subdivisions throughout the city.

### ***Condition of Housing Stock***

A considerable amount of housing (41%) 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, less than 1% of the housing stock is either severely deteriorated or dilapidated. This is slightly lower than other cities in Iron 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.

In order to maintain an affordable housing stock the deteriorating units must be identified and rehabilitated before severe dilapidation occurs, and home replacement becomes necessary. Rehabilitating the deteriorating housing stock is a cost effective measure to maintain the housing stock, prevent dilapidation, and increase affordability.

### ***Enoch Housing Survey***

A housing survey was distributed to Enoch residents with the city utility bill in order to capture responses pertaining to various housing matters. It is clear from the large response that housing matters to the residents of Enoch.

#### **Current Situation**

Of the total respondents, 56% believe that there is not sufficient housing options to fit the needs of seniors; 55% believe that there is not sufficient housing options to fit the needs of people with disabilities; 53% believe that there is not sufficient housing options to fit the needs of low-income families and individuals.

#### **Future Needs**

When asked what type of additional housing they believed was necessary in Enoch in the next 5-10 years, 37% indicated single family housing; 34% indicated senior housing; 23% indicated multi-family housing (townhouse, condominiums, and/or apartments), and 19% indicated low-income housing.

#### **Lot Size**

The size of lots in a community has a direct correlation to affordable housing. Larger lot sizes increase the overall cost of a house. Initially, a larger lot increases the purchase price of a home. Naturally, this is due to the extra land that must be purchased. Larger lots also require additional infrastructure because as the city sprawls, it costs more to pave longer roads; add longer sewer, water and utility lines; and maintain city assets over longer distances. The additional infrastructure costs to the city are paid for by increasing impact fees, which also increases the purchase price of housing. After the initial

purchase, a larger lot generally costs more to maintain. These higher costs that are due to larger lots ultimately reduce the affordability of housing.

Respondents were asked if they felt lot sizes in Enoch were oversized, appropriate, or undersized. 79% of respondents believe that lot sizes in Enoch are appropriate.

## Housing Affordability

The Utah State Department of Community and Culture and Lotus Community Development Institute created the *Guidebook for the Development of Community-Based Housing* to assist communities to better understand how they can be a partner in actively promoting and developing additional housing opportunities. One of the initiatives which this consortium promotes is their *Housing Estimating Model/Software for Tracking Attainable Housing Needs*. The software is designed to help evaluate housing affordability, demand, and potential market opportunities for attainable lifecycle housing and other affordable housing.

The *Housing Estimating Model/Software* was used to determine moderate income housing needs for Enoch City. The *Housing Estimating Model/Software* uses many data inputs including: income, mortgage and shelter costs, jobs per worker, workers per household, housing costs, and rent rates to name a few. Based on the information provided, the housing estimating model illustrates gaps in housing affordability if any exist.

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 Iron County, Utah, the 2012 area median income (AMI) was \$48,700 annually or \$4,058 monthly. Mortgage or rent and utilities should not exceed \$1,218 per month for a median income earning household in Enoch 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 same affordability standards apply to households that earn less than the area median income. For example, a moderate income household in Enoch earns 80% of the area median income — that's \$38,960 annually or \$3,246 monthly. Mortgage or rent and utilities should not exceed \$974 per month for a moderate income household. The table below summarizes the maximum monthly affordable housing costs for several income levels in Enoch.

**Maximum Housing Allocation (30% of Gross Income)**

Income Level	Yearly Gross Income	Monthly Mortgage or Rent	Maximum Home Purchase
30% of AMI (extremely low)	\$14,610	\$356	\$53,000
50% of AMI (very low)	\$24,350	\$593	\$95,000
<b>80% of AMI (moderate)</b>	<b>\$38,960</b>	<b>\$974</b>	<b>\$157,000</b>
100% of AMI (median)	\$48,700	\$1,185	\$199,000

Source: U.S. Department of Housing and Urban Development, 2012

In order to meet the requirements of the Utah Code, housing should be affordable for households earning 80 percent of the area median income (moderate income). \$974 is the maximum monthly payment for a mortgage or rent and utilities for a moderate income earning household that is still considered affordable.

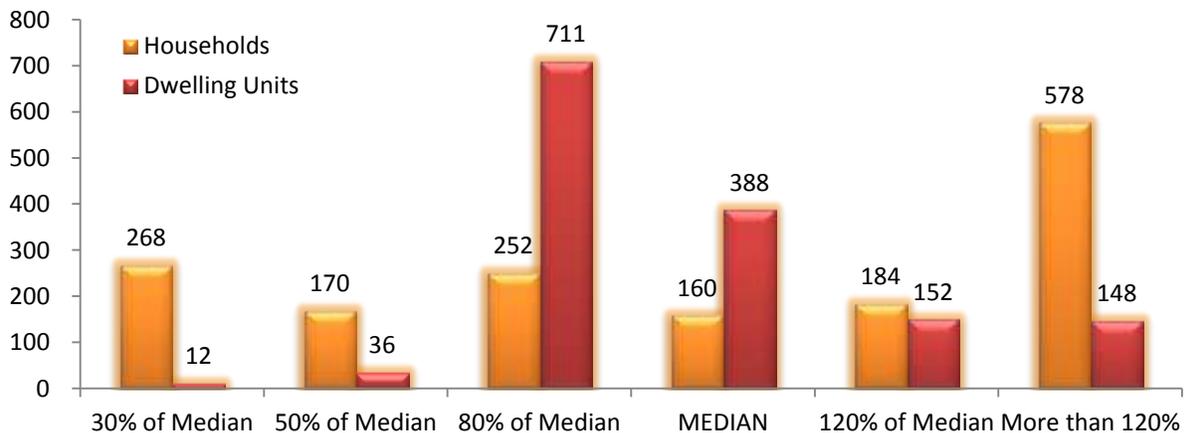
Affordability of home ownership and rental affordability are inherently different. Rental rates do not correlate directly with the market value of homes. Therefore, each will be analyzed individually.

***Affordability of Home Ownership***

A monthly payment of \$974 would support a mortgage of approximately \$157,000 based on a 30-year fixed rate loan at 4.8% interest. Homes valued at or below \$157,000 are considered affordable for moderate income earning households in Cedar City.

In order to determine whether or not current housing stock is affordable for very low (50% AMI) and extremely low (30% AMI) income earning households a comparison will be used. The chart below compares the total number of households for each income bracket to the total number of dwelling units that are affordable for that income bracket.

**Comparison of Existing Housing Stock to Household AMI**



Source: Iron County Assessor, 2009 Data; Housing Estimating Model/Software

### Analysis of Housing Affordability – Home Ownership

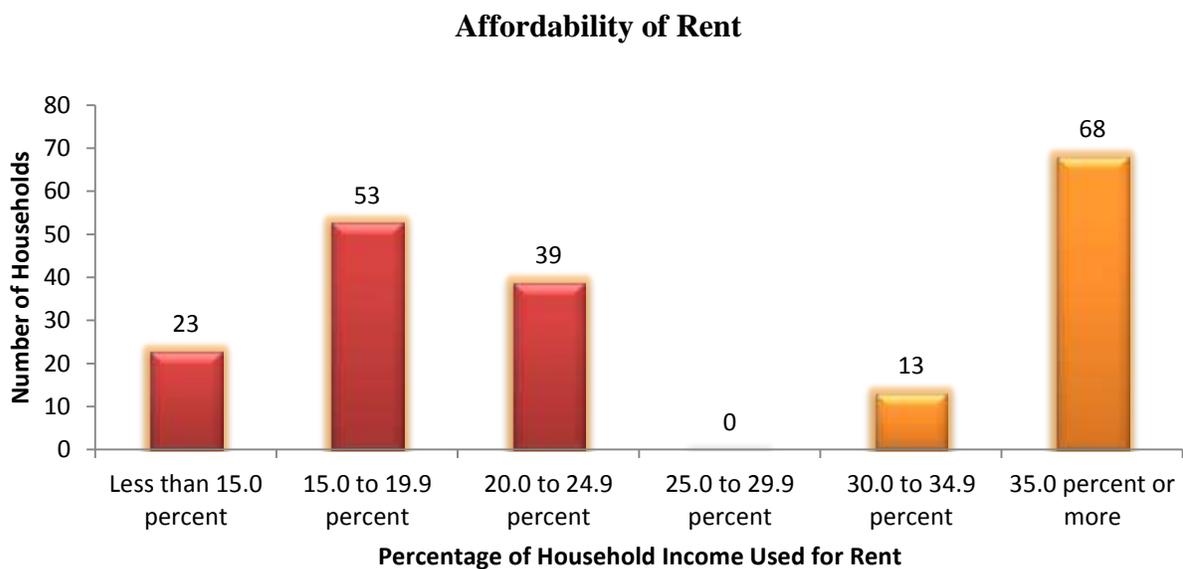
Although nearly half (43%) of all households in Enoch are moderate income households or below, 52% of the housing stock is affordable. Considering that over half of the home ownership options in Enoch are affordable for moderate income families, it is clear that the current and ongoing land uses policies and practices of the city have not limited affordable housing opportunities for those seeking to purchase a home.

Households that earn below 50% of the area median income cannot afford 97% of the homes in Enoch. In order to provide these very low and extremely low earning households an opportunity for home ownership, the USDA Rural Development has programs that assist home buyers with the purchase of a home. The city can help by promoting the USDA Rural Development programs to potential home buyers.

### Affordability of Rent

According to the 2010 US Census Data there are 196 households that rent in Enoch. The median cost to rent a two bedroom apartment is \$630. Households earning a moderate income (80% of AMI) are able to afford the rental rates in Enoch, however, those households earning 50% of AMI and less cannot. According to an analysis performed using *Housing Estimating Model/Software* there is a \$275 affordability gap for renting households that earn 30% of the AMI and a \$38 gap for renting households that earn 50% of AMI.

Enoch does not have any options for low-income households needing affordable rent. The following chart, which shows the percentage of income that Enoch households spend on rent, is not surprising.



Source: US Census 2010, American Community Survey 2009; Housing Estimating Model/Software

The chart indicates that many households are paying rent for a unit that they cannot afford (highlighted in orange). Enoch's Planning Commission has been working on making some changes to the zoning ordinance so that single-family dwellings can legally be multi-family (accessory apartments such as basement rentals, etc.), but only if the owner occupies the home. These accessory apartments can be rented cheaper than an entire home, which will help provide additional affordable housing options. At the time of this writing the proposed change had not finished the review process by the Planning Commission.

### **Analysis of Housing Affordability – Rent**

Rental options for the very low income households are limited in Enoch. 81 (41%) of the households that rent in Enoch are renting housing that they cannot afford. For those households earning less than 30% AMI even very low rent rates are unaffordable, which is most likely the reason 41% of renters in Enoch cannot afford their rent. The city should seek out opportunities and programs that assist these very low income renters, including changing the zoning ordinance to allow accessory apartments.

### ***Special Needs Housing***

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

There are an estimated 393 people who are aged 65 and over living in Enoch. This is an increase of 259 (193%) people since 2000. In 2000, individuals aged 65 and over made up just 3.9% of the total population. In 2010 they made up 6.8% of the total population. The dramatic increase in the number of city residents who are aged 65 and older can be attributed in part to a localized reflection of the national trend of an aging population.

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 available to assist low income senior citizens are property tax deferred payment programs, tax and mortgage foreclosure prevention services, home rehabilitation and weatherization programs, and utility assistance programs.

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 are currently no complexes serving Enoch senior citizens and/or disabled persons. Although there are nearby housing options in Cedar City and Parowan for senior citizens and people with disabilities it is important that Enoch promote the addition of this type of housing within the City.

## Gaps and Needs in Affordable Housing

In order to identify appropriate goals, objectives, and strategies; gaps and needs must be identified. A gap is a term used to describe a missing component while a need describes what is required to fill the gap. For example, in the game of musical chairs there are never enough seats for everyone — that is the gap. To fill the gap more chairs are needed. This section identifies the present and future housing gaps and needs in Enoch.

### *Current Gaps*

**Gap 1** — Many of the very low and extremely low income earning households do not have sufficient opportunity to purchase affordable housing.

**Need** — 390 households in Enoch that earn less than \$24,350 per year need the ability to purchase housing they cannot afford under traditional lending standards.

**Gap 2** — Many of the very low and extremely low income earning households do not have sufficient opportunity to rent affordable housing.

**Need** — 81 households in Enoch that earn less than \$24,350 per year are renting housing that they cannot afford. Additional affordable single family and multifamily rental units are needed.

**Gap 3** — Many homes are older than 30 years old, and several others are either deteriorated or dilapidated.

**Need** — Three homes are severely deteriorated or dilapidated, and need rehabilitation. 538 homes are older than 30 years and require ongoing maintenance.

### *Gaps in the Next Five Years*

**Gap** — Enoch has no affordable housing units for elderly and/or disabled citizens.

**Need** — Enoch’s senior population has grown 193% over the last decade, and is expected to continue to increase over the next five years. An estimated four affordable senior housing units will be necessary to house Enoch’s growing senior population.

## Goals, Objectives, Strategies

### *Goal 1: Increase Opportunities to Purchase Affordable Housing to Provide Housing Choice for Very Low and Extremely Low Income Earning Households*

**Objective** — Actively encourage the provision of additional housing options such as affordable single family or multi-family housing for very low income (50% AMI) and extremely low income (30% AMI) households.

**Strategy 1** — Promote programs such as the USDA Rural Development Direct Loan or Guarantee Loan that assist low-income households to purchase a home. The direct loan program lowers the interest rate, and effectively increases the purchasing power of the home owner.

***Goal 2: Increase Affordable Rental Opportunities to Provide Housing Choice for Very Low and Extremely Low Income Earning Households***

**Objective** — Actively encourage the provision of affordable rental units for very low income (50% AMI) and extremely low income (30% AMI) households.

**Strategy 1** — Approve zoning ordinance change that will allow property owners to consider including an accessory apartments by either retrofitting existing single family homes, or incorporating the accessory apartment into the design of new single family homes.

**Strategy 2** — Work with the Cedar City Housing Authority to increase affordable rental opportunities.

**Strategy 3** — Promote and facilitate adaptive reuse development by identifying and inventorying acceptable sites for developers and realtors.

***Goal 3: Rehabilitate and Weatherize Existing Housing to Increase Rental Properties, Homeownership, and Reinvestment in Enoch City***

**Objective 1** — Encourage maintaining the existing housing stock by rehabilitating severely deteriorated and dilapidated homes.

**Strategy** — Promote the use of the Single Family Rehabilitation and Reconstruction Program and the USDA Rural Development Housing Program to extremely low to moderate income households. These programs offer low-interest loans and grants for maintaining and rehabilitating housing.

**Objective 2** — Weatherize existing housing in order to increase housing affordability by reducing monthly energy costs.

**Strategy** — Help locate moderate to extremely low income families that need weatherization assistance. Assist these households to contact the Five County Association of Governments Weatherization Program. The Weatherization program lowers monthly utility bills by making housing more energy efficient.

***Goal 4: Increase Affordable Senior (65+) Housing to Accommodate the Projected Growth of the Aging Population***

**Objective** — Promote the addition of affordable senior housing units.

**Strategy 1** — Identify possible locations for infill development suitable for senior housing.

**Strategy 2** — Establish strategic partnerships with neighboring municipalities, as well as the Cedar City Housing Authority that are currently offering affordable senior housing units.

### Benchmarks

The goals, objectives, and strategies should be evaluated on an annual basis to determine if the goals have been met. If the strategies are not achieving the listed goals, the strategies should be amended.

### Priorities and Timelines

The following table summarizes the affordable housing goals. It lists how many of each type of unit is needed, how the goal can be attained, and when the goal will be needed.

Type	# Units Needed	How Attained	When needed
Affordable Single Family housing for purchase	N/A	Promote USDA Rural Development loan programs	Now
Affordable Single Family and Multi-Family Units	60-80	Accessory apartments, Adaptive reuse, Housing Authority	Now
Existing Housing Stock	N/A	Promote federal and state funded rehabilitation and weatherization programs	Now
Affordable Senior Housing	4	Infill development	2020

\*\*\* END OF DOCUMENT \*\*\*