2021

Housing Drivers – Part 1
Summit County, UT

Jeffrey B. Jones, AICP

Email: jjones@summitcounty.org

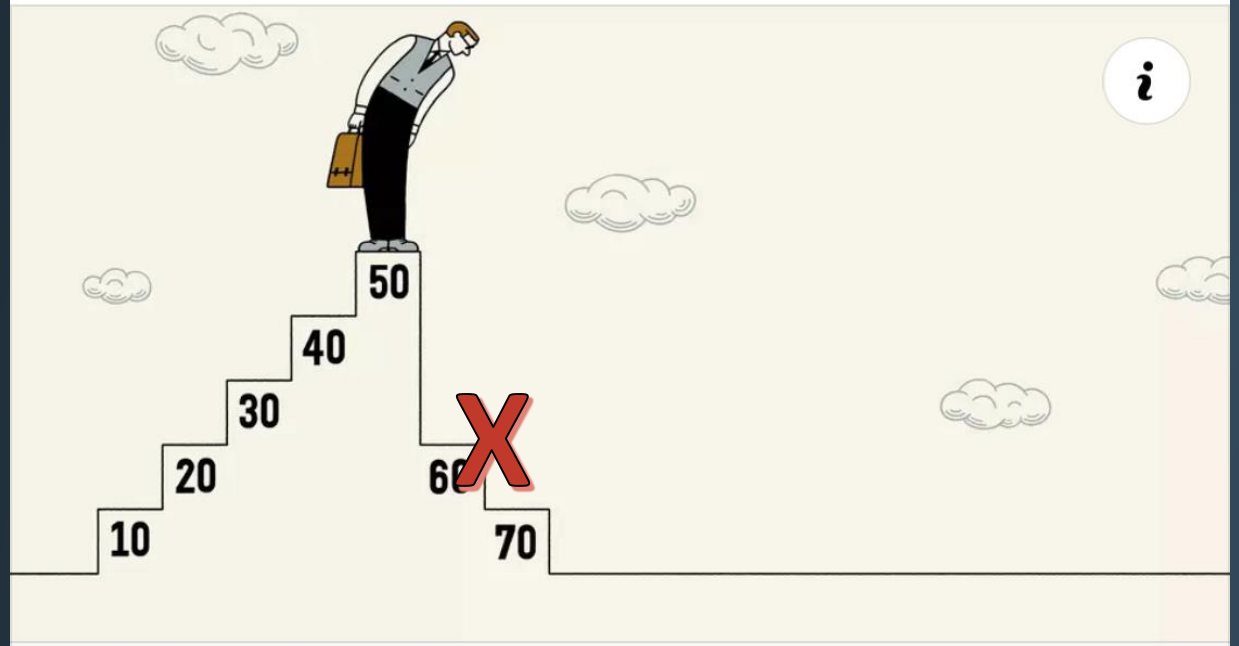
Ph: 435-336-3221

DEMOGRAPHIC AND ECONOMIC DRIVERS OF HOUSING

Jeff sometimes struggles…

The Atlantic
9h ·

"If your profession requires mental processing speed or significant analytic capabilities," Arthur Brooks wrote in 2019, "noticeable decline is probably going to set in earlier than you imagine."



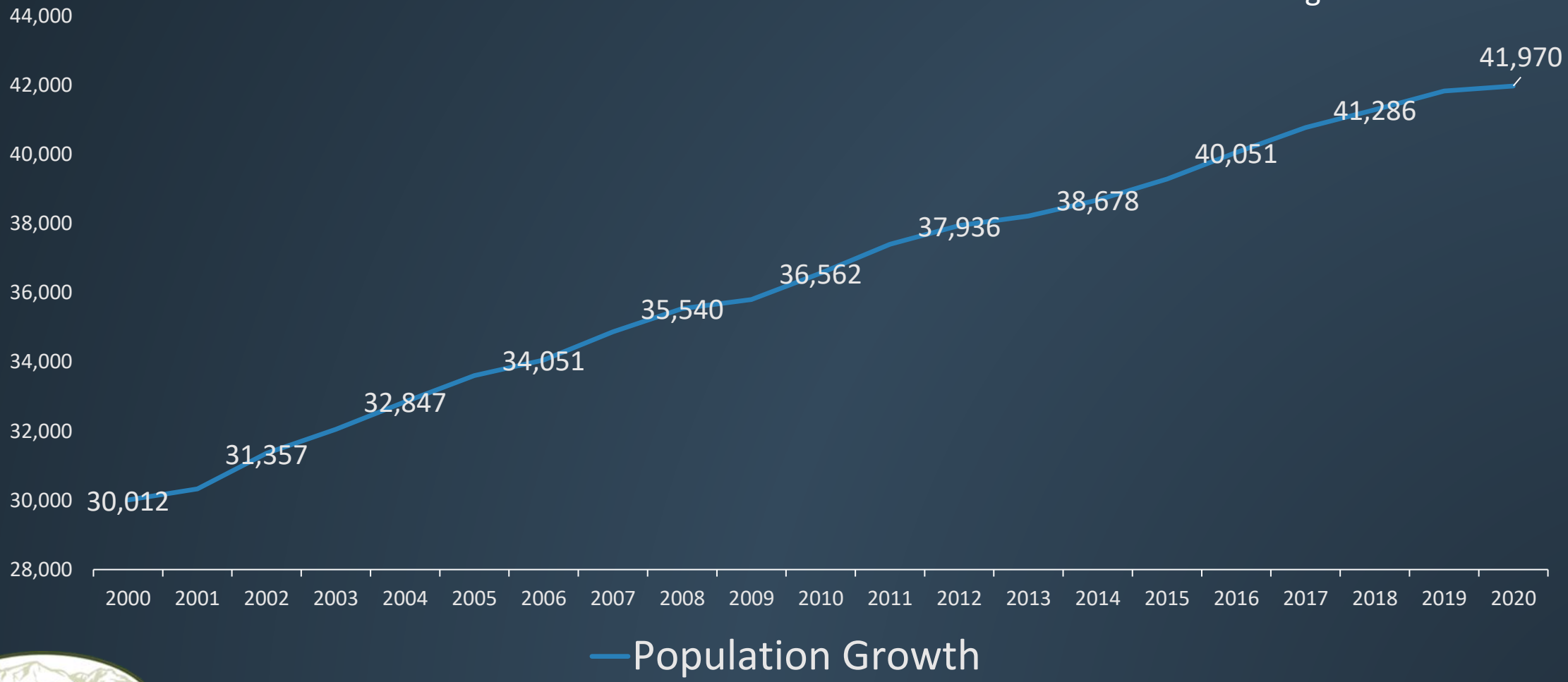
THEATLANTIC.COM
Your Professional Decline Is Coming (Much) Sooner Than You Think

2021

POPULATION

HISTORIC POP GROWTH

11,958 New Population
% Change = 39.8%
Ave Annual % Change =1.99%

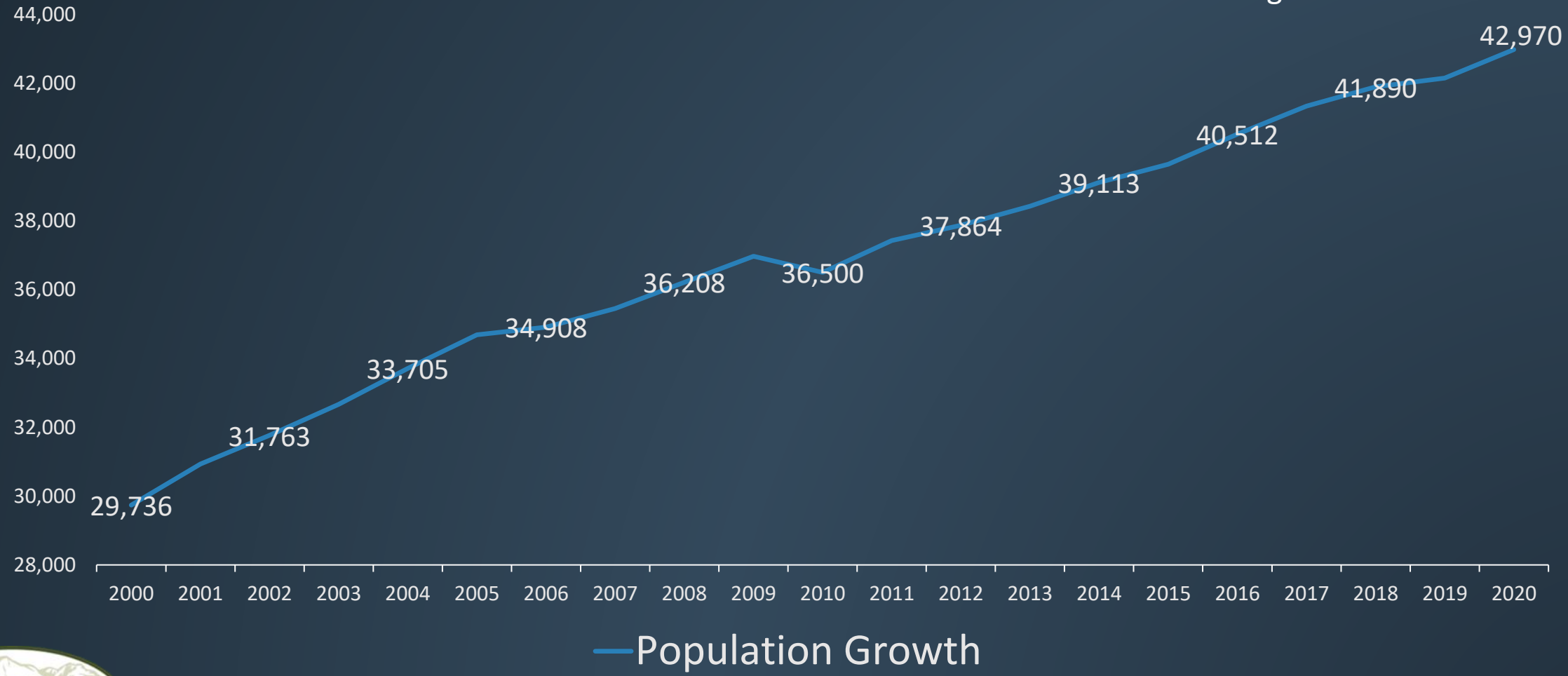


Source: Utah Population Committee/The Kem C. Gardner Policy Institute

2021

HISTORIC POP GROWTH

13,234 New Population
% Change = 44.5%
Ave Annual % Change =2.23%



Source: EMSI Developer

SUMMIT COUNTY UTAH

2021

HISTORIC POP GROWTH

13,441 New Population
% Change = 45.2%
Ave Annual % Change =2.26%

2000	2010	2020
29,736	36,324	43,177
ESRI Business Analyst		

2020 Range of Estimates: 41,970 – 43,177
US Census 2019 Estimate = 41,103

Source: ESRI Business Analyst

COMPONETS OF GROWTH

- The two primary components of population growth are natural increase and net migration.

Population growth = net natural increase plus net migration

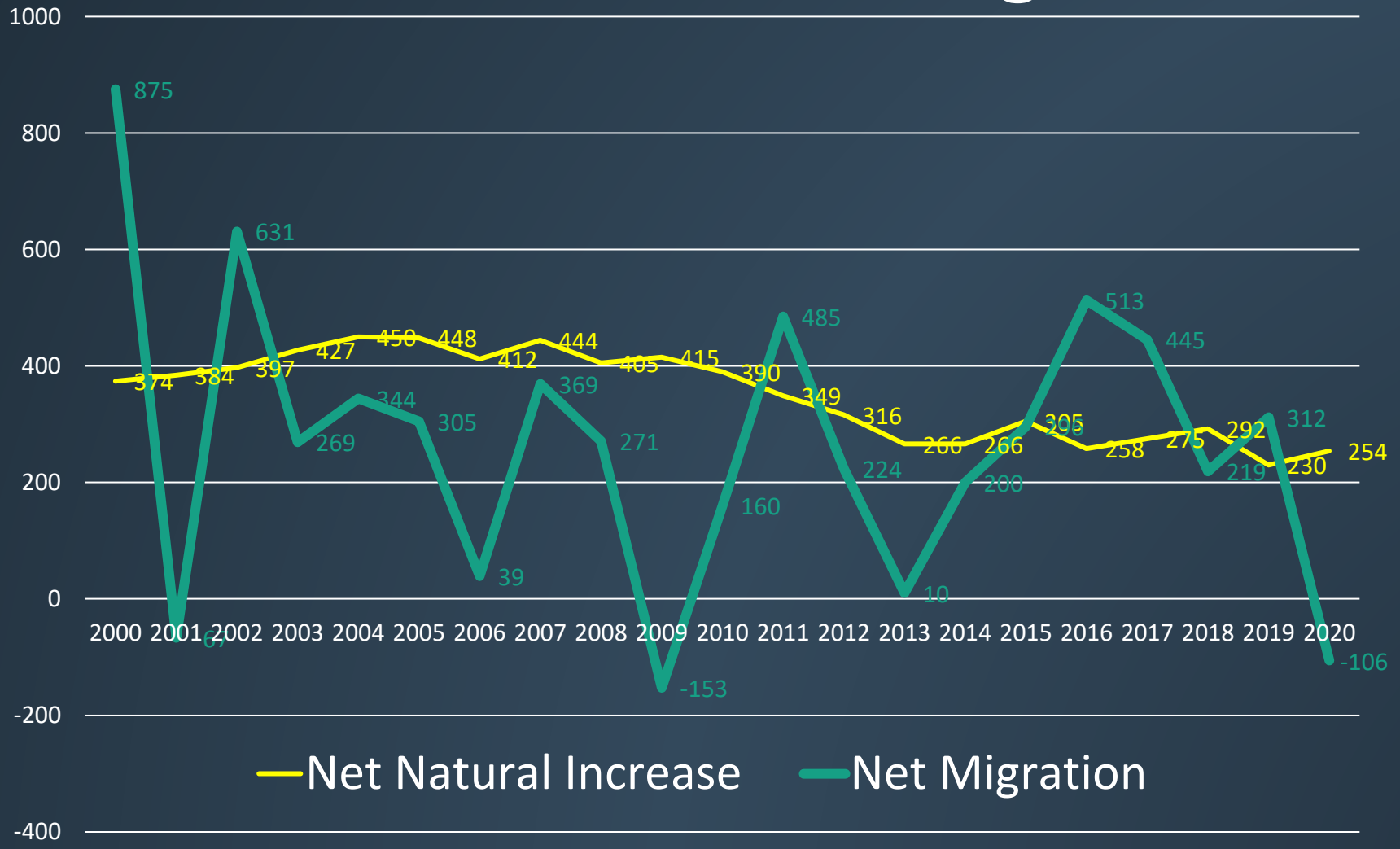
or:

Population growth = (births – deaths) + (arrivals – departures)

Natural Increase

Net Migration

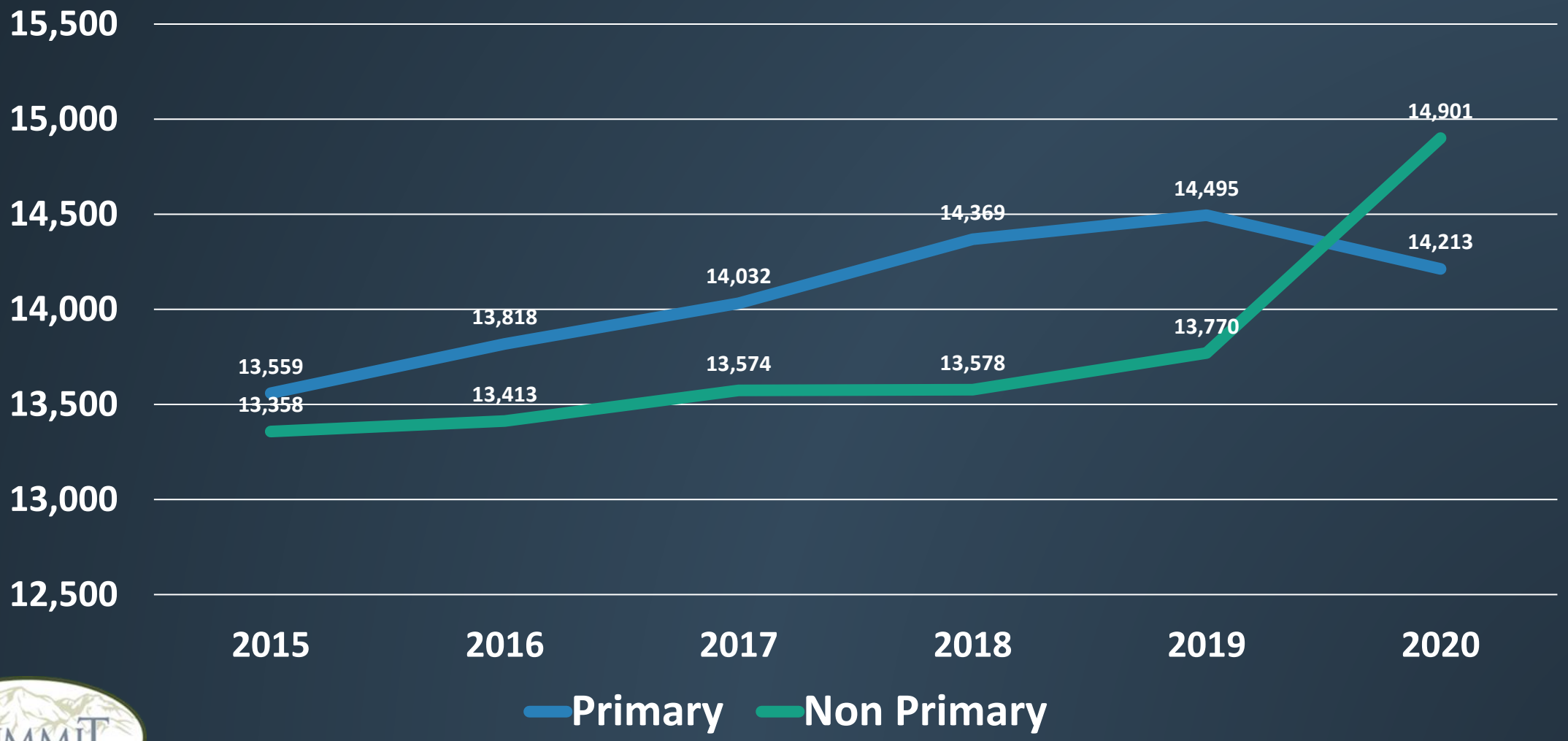
Net Natural Increase & Net Migration



Source: The Kem C. Gardner Policy Institute

2021

PRIMARY VS. NON-PRIMARY EXEMPTIONS

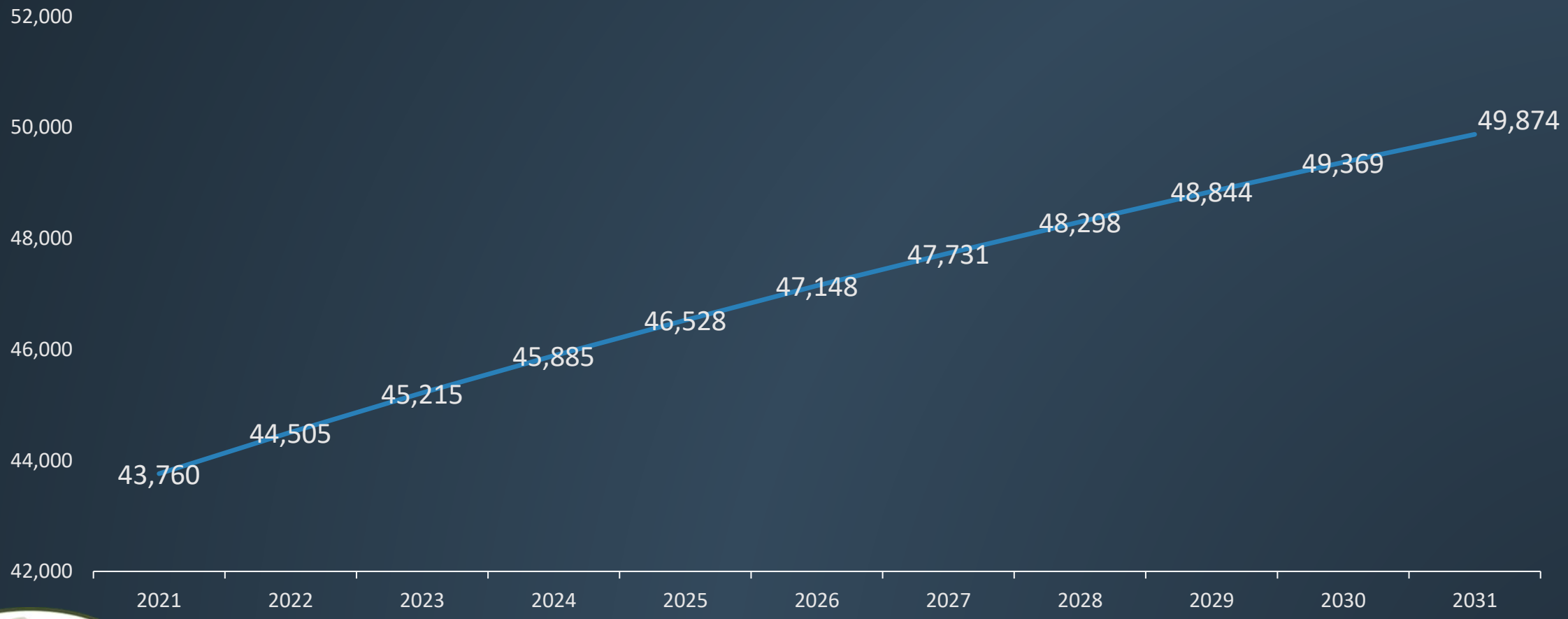


Source: Summit County Assessor's Office

2021

POPULATION FORECAST

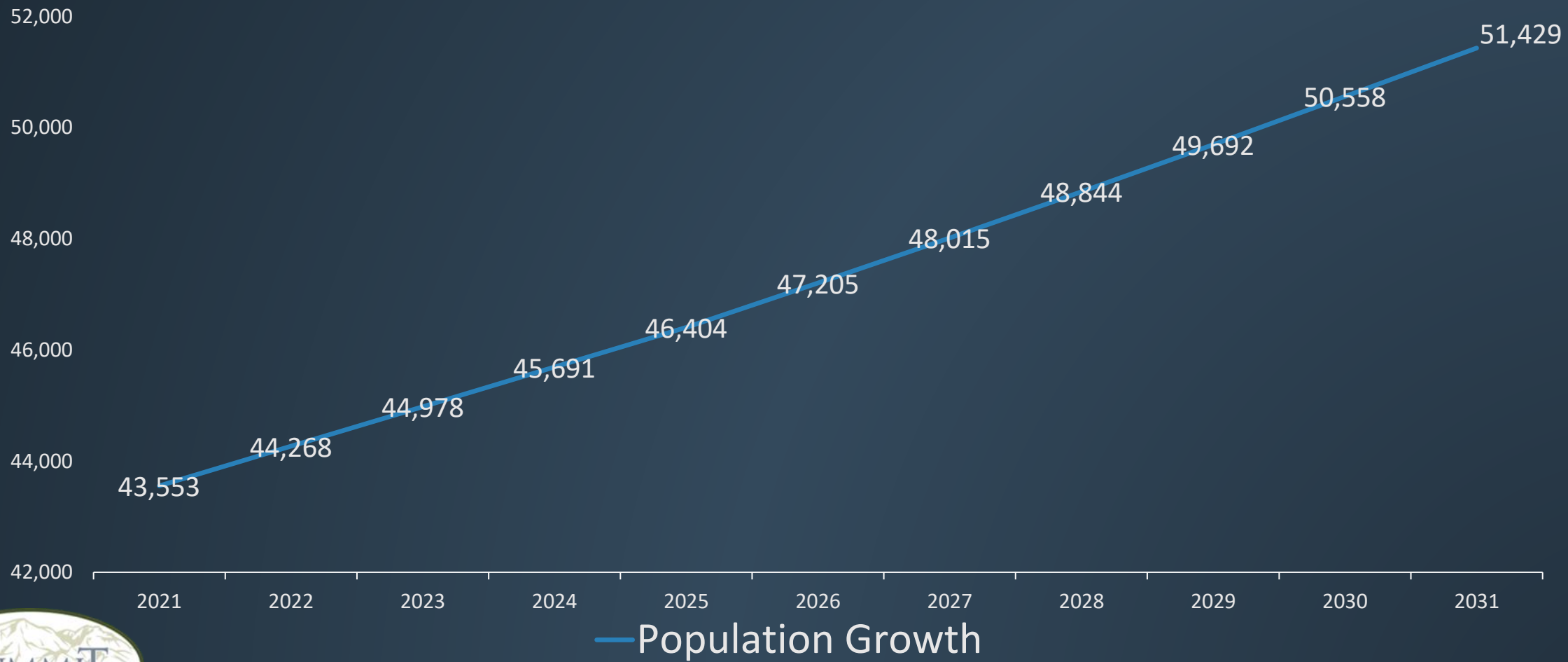
6,114 New Population
% Change = 14%
Ave Annual % Change =1.4%



Source: EMSI Developer

POPULATION FORECAST

7,876 New Population
% Change = 18.1%
Ave Annual % Change =1.81%



Source: Utah Population Committee/The Kem C. Gardner Policy Institute

SUMMIT COUNTY UTAH

2021

POPULATION FORECAST RANGE

2031 Range of Population Estimates:
49,874 – 51,429

Can we agree that these projections are reasonably accurate?

Source: EMSI Developer /Utah Population Committee/The Kem C. Gardner Policy Institute

AGE COHORTS

Age Cohort	2010		2020		2025	
	Person	%	Person	%	Persons	%
Pre-School, 0-4	2,468	6.8%	2,639	6.1%	2,902	6.2%
School Age, 5-17	7,602	20.9%	7,877	18.2%	8,099	17.2%
College Age, 18-24	2,626	7.2%	3,446	8.0%	3,300	7.1%
Young Adults, 25-44	9,882	27.2%	11,371	26.4%	12,955	27.6%
Middle Age, 45-64	10,978	30.2%	12,271	28.4%	12,095	25.7%
Senior Adults, 65+	2,768	7.6%	5,573	13.0%	7,649	16.2%

Source: ESRI Business Analyst

RACE AND ETHNICITY

Race/Ethnicity	2021 Population	2031 Population	Change	% Change	2021 % of Cohort
White, Non-Hispanic	36,519	40,579	4,060	11%	83.45%
White, Hispanic	4,529	5,140	611	13%	10.35%
Asian, Non-Hispanic	807	1,164	357	44%	1.84%
Two or More Races, Non-Hispanic	687	1,020	333	48%	1.57%
Black, Non-Hispanic	519	915	396	76%	1.19%
American Indian or Alaskan Native, Non-Hispanic	151	207	56	37%	0.35%
American Indian or Alaskan Native, Hispanic	146	185	39	27%	0.33%
Two or More Races, Hispanic	122	202	80	66%	0.28%
Black, Hispanic	101	142	41	41%	0.23%
Asian, Hispanic	95	174	79	83%	0.22%
Native Hawaiian or Pacific Islander, Non-Hispanic	58	94	36	62%	0.13%
Native Hawaiian or Pacific Islander, Hispanic	27	54	27	100%	0.06%
Total	43,760	49,874	6,115	14%	100.00%

Source: EMSI Developer

ECONOMIC DEPENDENCY RATIOS

The age/economic dependency ratio in Summit County – the sum of people under 20 and people 65 and over – has increased from .505 in 2001 to .664 in 2020. Furthermore, it is projected to increase to .749 by 2031. This ratio means the population percent of working-age people is not much larger than those who depend on their economic productivity.

YR2001	YR 2020	YR2031
.505	.664	.749

Source: EMSI Developer

HOUSEHOLDS

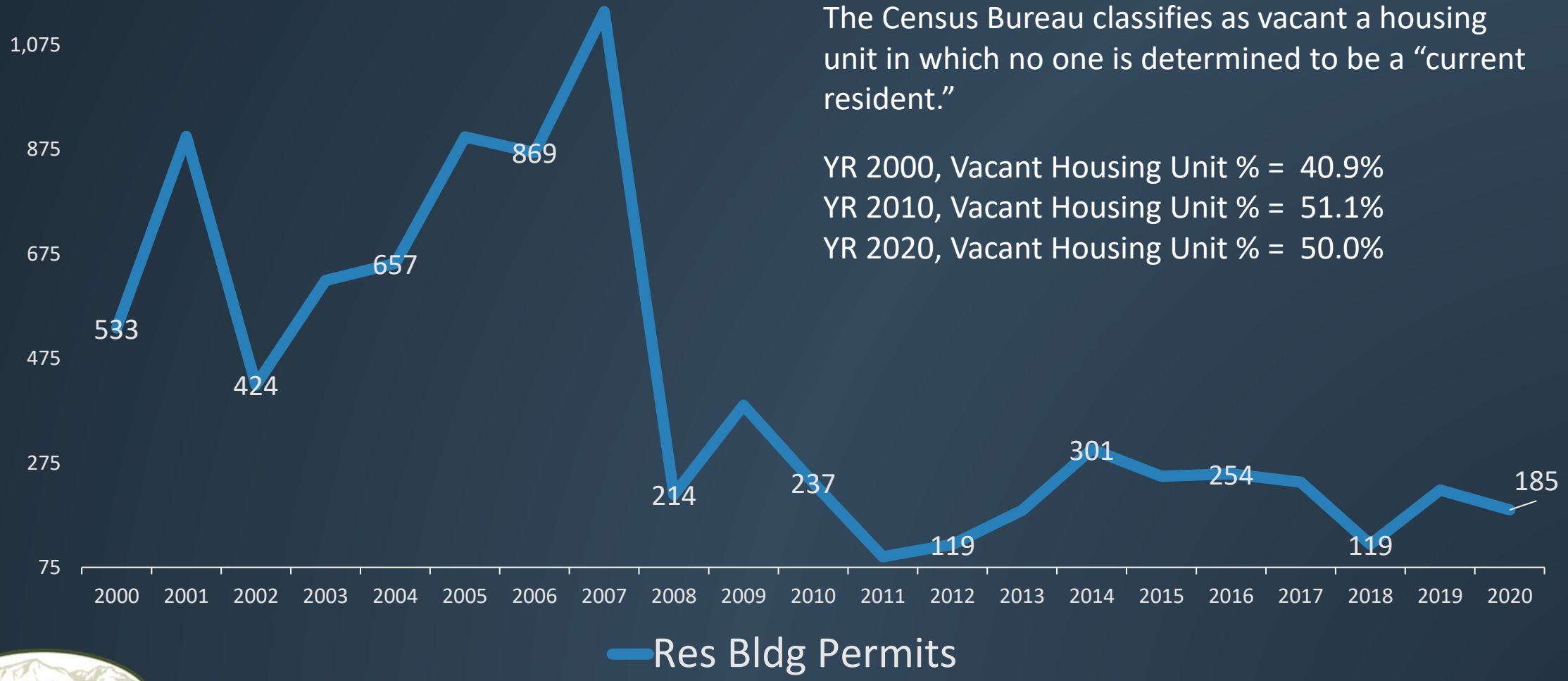
HOUSEHOLDS

Households = **Occupied** Housing Units

YR 2000 Households: 10,332, 2.87 PPH
YR 2010 Households: 12,990, 2.79 PPH
YR 2020 Households: 15,324, 2.81 PPH

Source: ESRI Business Analyst

RESIDENTIAL BUILDING PERMITS



The Census Bureau classifies as vacant a housing unit in which no one is determined to be a "current resident."

YR 2000, Vacant Housing Unit % = 40.9%
YR 2010, Vacant Housing Unit % = 51.1%
YR 2020, Vacant Housing Unit % = 50.0%

Source: Ivory-Boyer Construction Report and Database/ESRI Business Analyst

VACANT UNIT % BY ZIP CODE

Zip Code	Vacant Units %
84098 – Park City	34.4%
84060 – Park City	69.9%
84017 – Coalville	34.9%
84055 – Oakley	10.0%
84061– Peoa CDP	15.1%
84033 – Henefer	3.50%
84036 – Kamas	52.5%

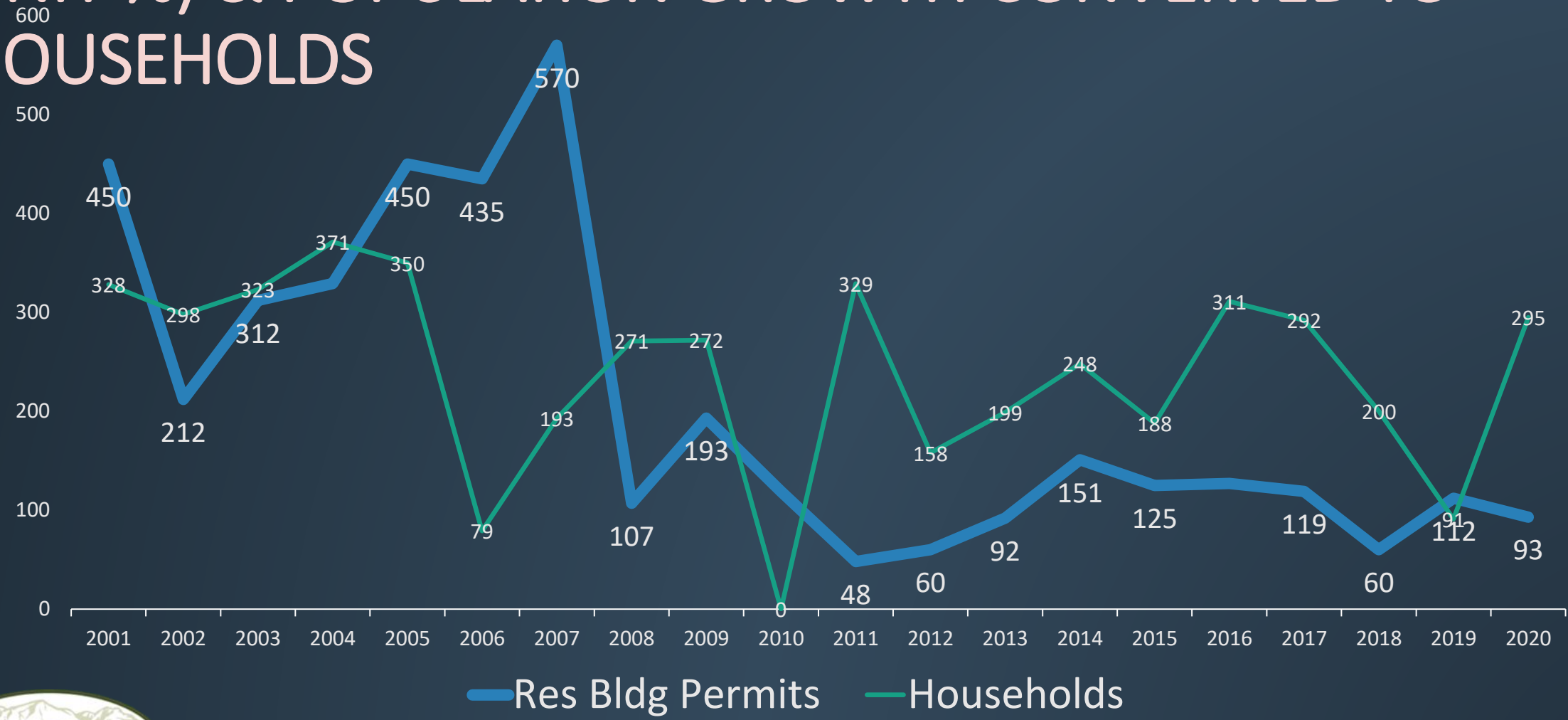
Estimate of vacant housing units. A vacant housing unit is classified as no one living in the dwelling, unless its occupant or occupants are only temporarily absent—such as away on vacation, in the hospital for a short stay, or on a business trip—and will be returning.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025 Esri converted Census 2000 data into 2010 geography.

SUMMIT COUNTY UTAH

2021

RESIDENTIAL BUILDING PERMITS (ADJUSTED BY VACANT UNIT %) & POPULATION GROWTH CONVERTED TO HOUSEHOLDS



Source: EMSI Developer, ESRI Business Analyst, Ivory-Boyer Construction Report and Database

2021

HOUSEHOLDS FORECAST RANGE (BASED ON POPULATION GROWTH)

49,874 projected 2031 population divided by 2.81 persons per household = 17,749 Households – 15,324 = 2,425 new households (occupied units) + 5% preferred vacancy = 2,546/11YR = 232 units per year (all products).

51,429 projected 2031 population divided by 2.81 persons per household = 18,302 households – 15,324 = 2,978 new households (occupied units) + 5% preferred vacancy = 3,127/11YR = 284 units per year (all products).

2020 Households are estimated at 15,324.

Annual new households created = 232HH-284HH

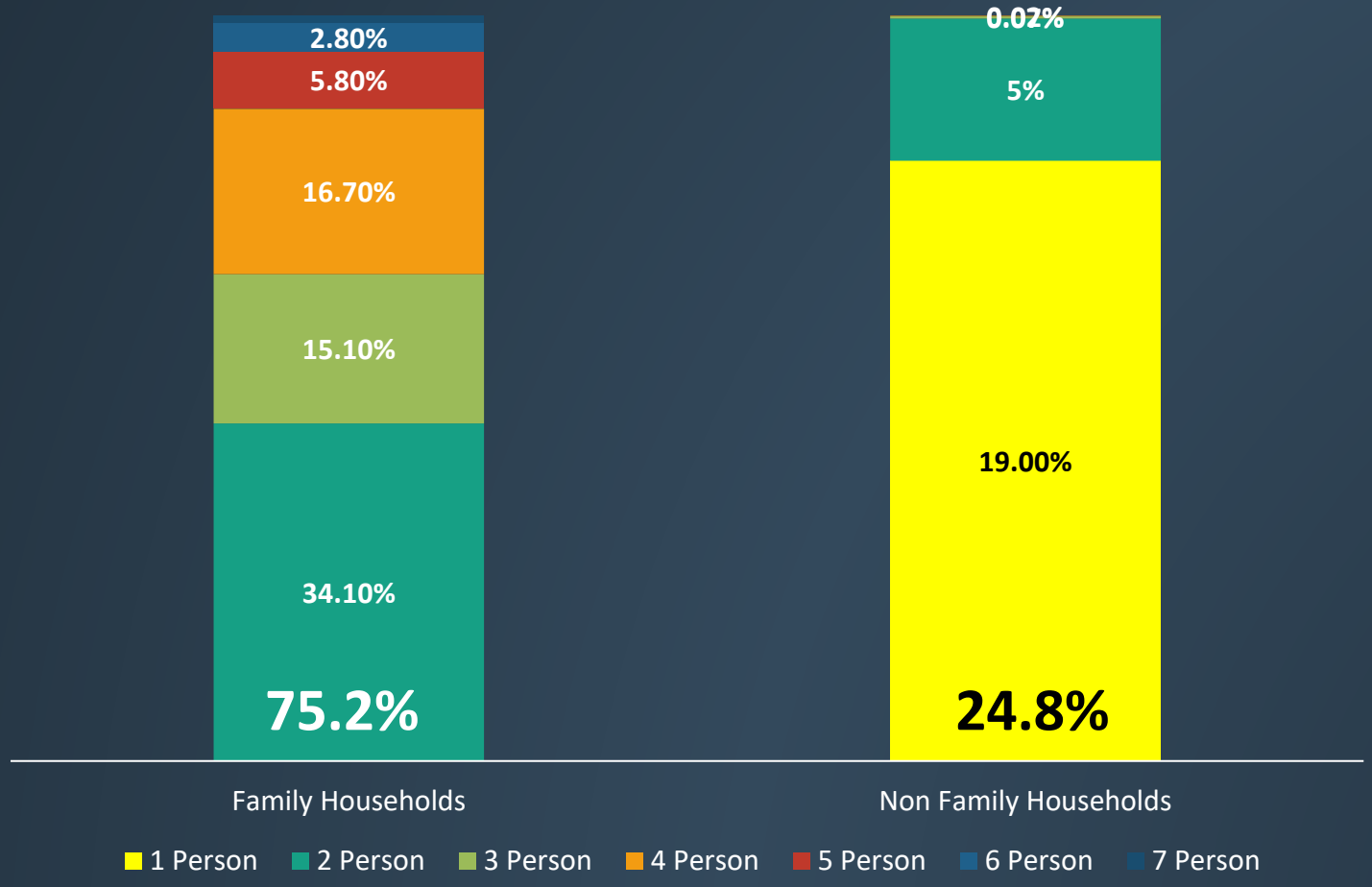
If 50% of new residential building permits are allocated towards "vacant" units, it would require an annual average of **464-568** new units to meet the forecasted demand (all products).

Can we agree that these projections are reasonably accurate?

Source: ESRI Business Analyst

HOUSEHOLDS BY TYPE

"Households" are groups of people living together in a single home. Members of households can be related ("family households") or unrelated ("non-family households").



Source: ESRI Business Analyst/American Community Survey

2021

HOUSING CHARACTERISTICS

HOUSING OCCUPANCY

2020 HOUSING UNIT SUMMARY	PERCENTAGE
Owner Occupied Housing Units	37.8%
Renter Occupied Housing Units	12.3%
Vacant Housing Units	50.0%

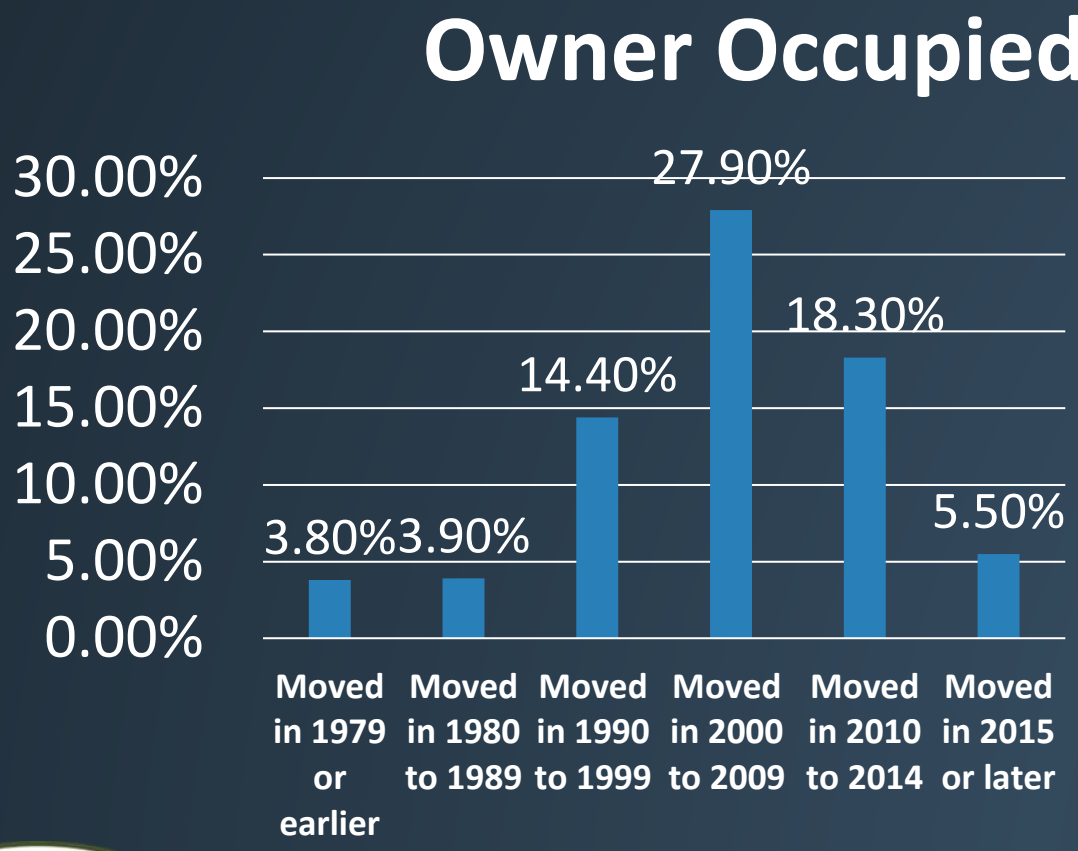
Source: ESRI Business Analyst

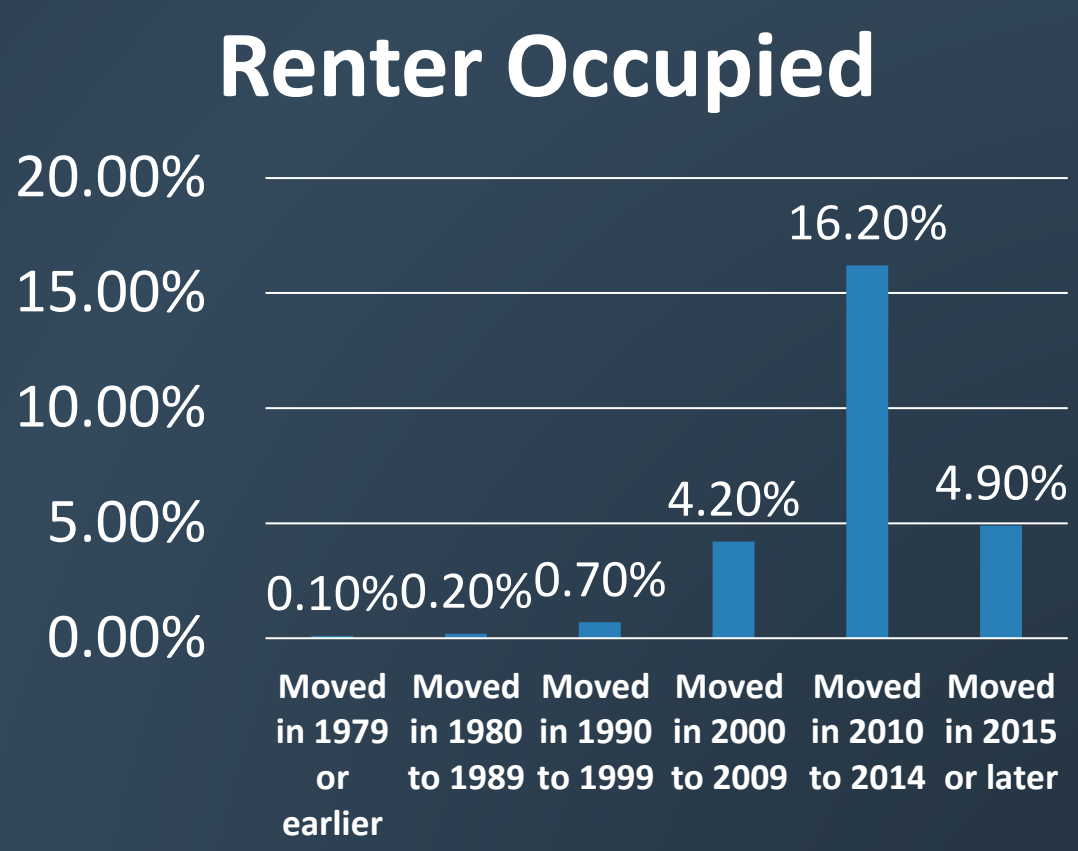
YEAR STRUCTURE BUILT

YR STRUCTURE BUILT	PERCENT
Built 2014 or later	2.3%
Built 2010 to 2013	2.4%
Built 2000 to 2009	25.1%
Built 1990 to 1999	26.9%
Built 1980 to 1989	18.3%
Built 1970 to 1979	16.1%
Built 1960 to 1969	3.2%
Built 1950 to 1959	1.6%
Built 1940 to 1949	0.8%
Built 1939 or earlier	3.2%

Source: American Community Survey

OCCUPIED HOUSING UNITS BY YEAR HOUSEHOLDER MOVED INTO UNIT





Source: ESRI, American Community Survey

2021

NUMBER OF BEDROOMS

BEDROOMS	PERCENT
No bedroom	4.7%
1 bedroom	9.5%
2 bedrooms	19.8%
3 bedrooms	27.4%
4 bedrooms	21.8%
5 or more bedrooms	16.7%

Source: American Community Survey

UNITS IN STRUCTURE

BEDROOMS	PERCENT
1-unit, detached	61.5%
1-unit, attached	8.4%
2 units	1.3%
3 or 4 units	3.4%
5 to 9 units	4.6%
10 to 19 units	4.7%
20 or more units	14.9%
Mobile Homes	1.3%

Source: American Community Survey

VEHICLE TRIP GENERATION BY UNIT TYPE

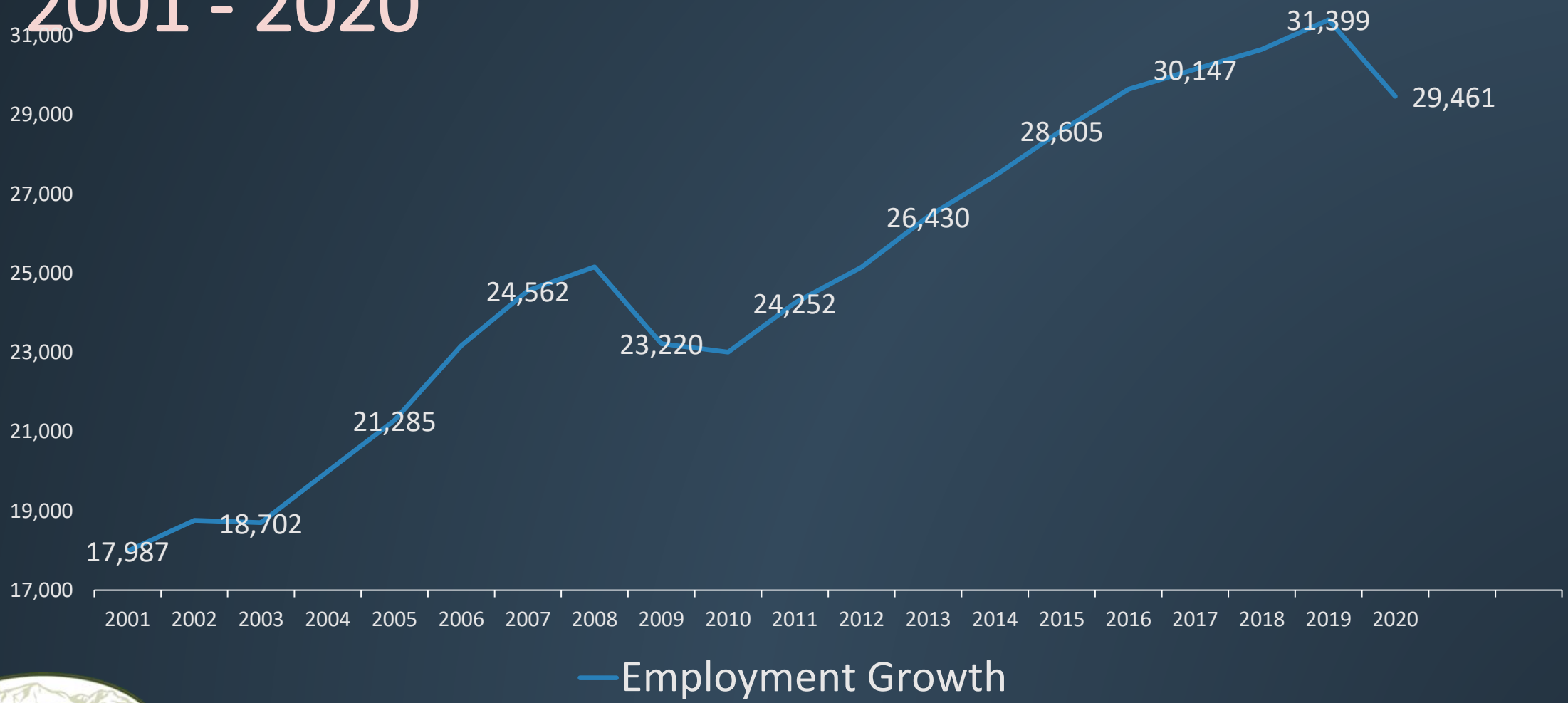
Housing Product Type	NUMBER
Single Family Detached	9.57 Trips Per Dwelling Unit
Low Rise Apartment	6.59 Trips Per Dwelling Unit
High Rise Apartment	4.20 Trips Per Dwelling Unit
Condo/Townhouse	5.86 Trips Per Dwelling Unit

Source: Institution of Transportation Engineers

EMPLOYMENT

EMPLOYMENT GROWTH 2001 - 2020

11,474 New Jobs
% Change = 63.8%
Ave Annual % Change =3.36%

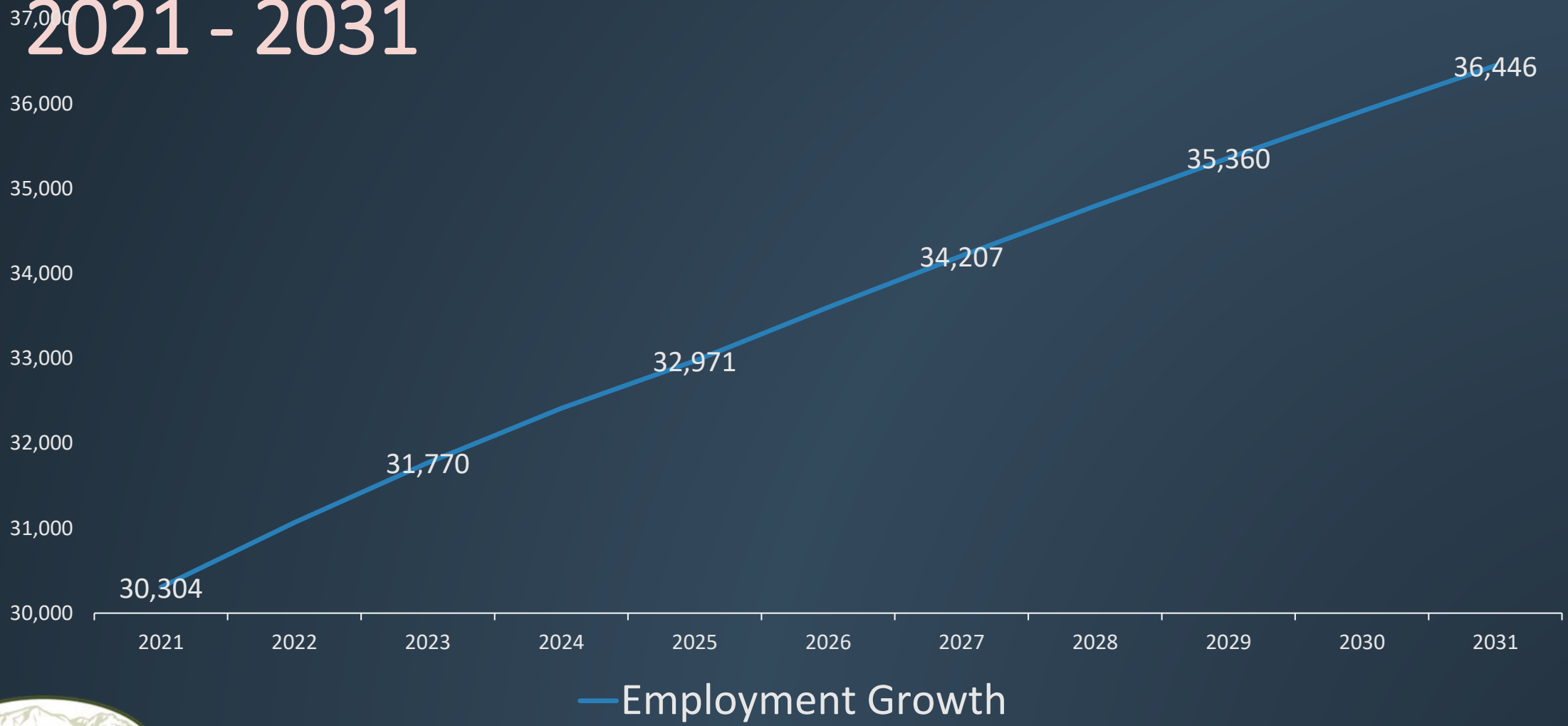


Source: EMSI Developer

2021

EMPLOYMENT GROWTH 2021 - 2031

6,142 New Jobs
% Change = 20.3%
Ave Annual % Change = 2.03%

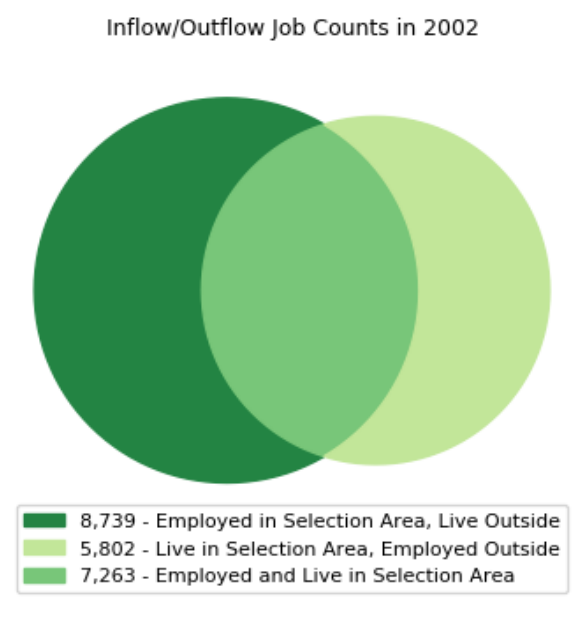


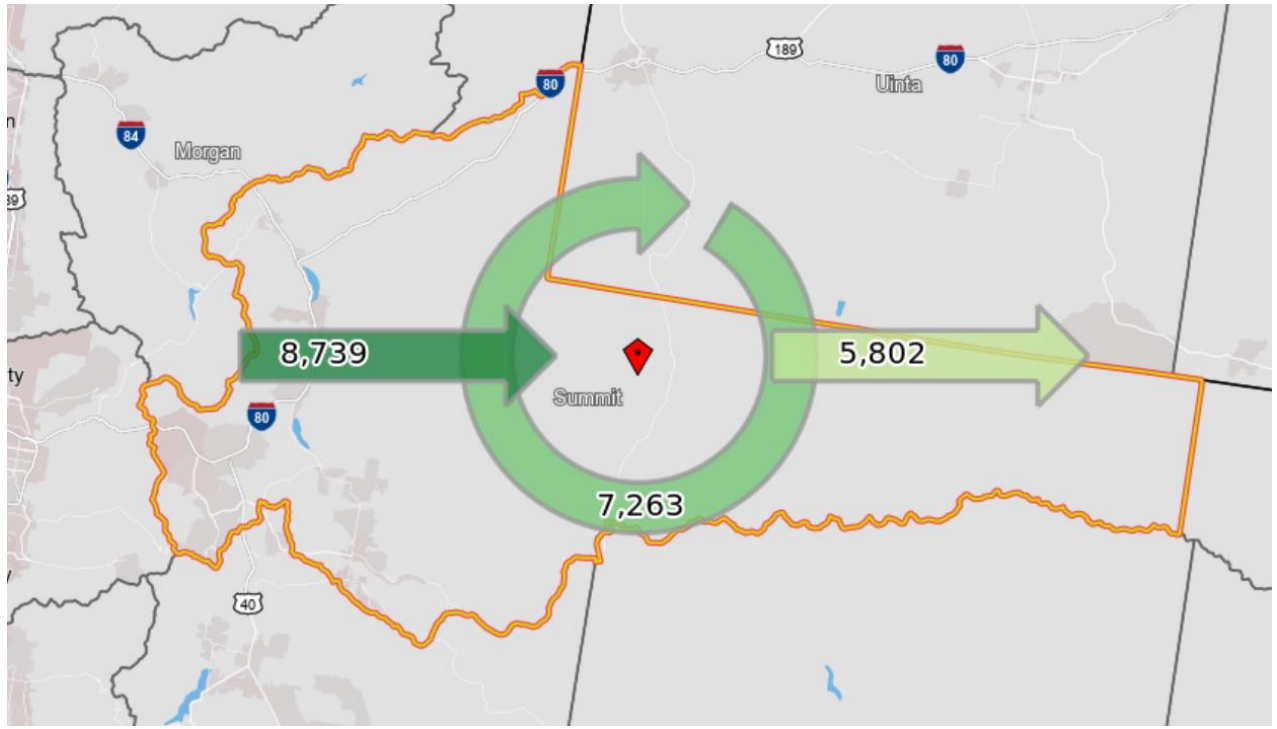
Source: EMSI Developer

IMPORTED LABOR

INFLOW/OUTFLOW, 2002 Summit County

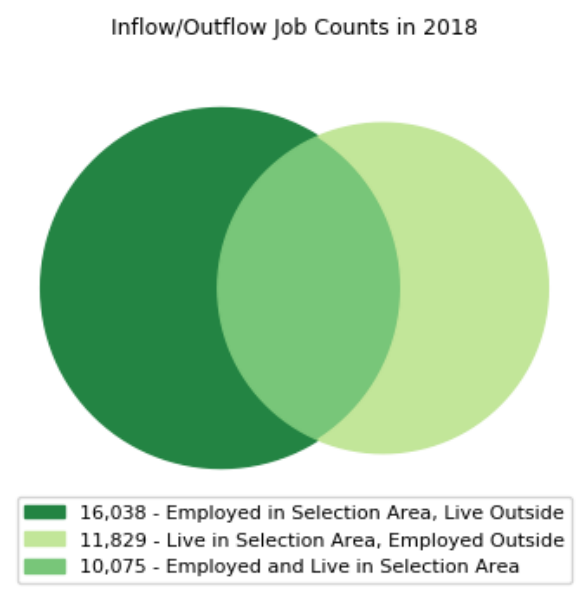
- Source: US Census Bureau

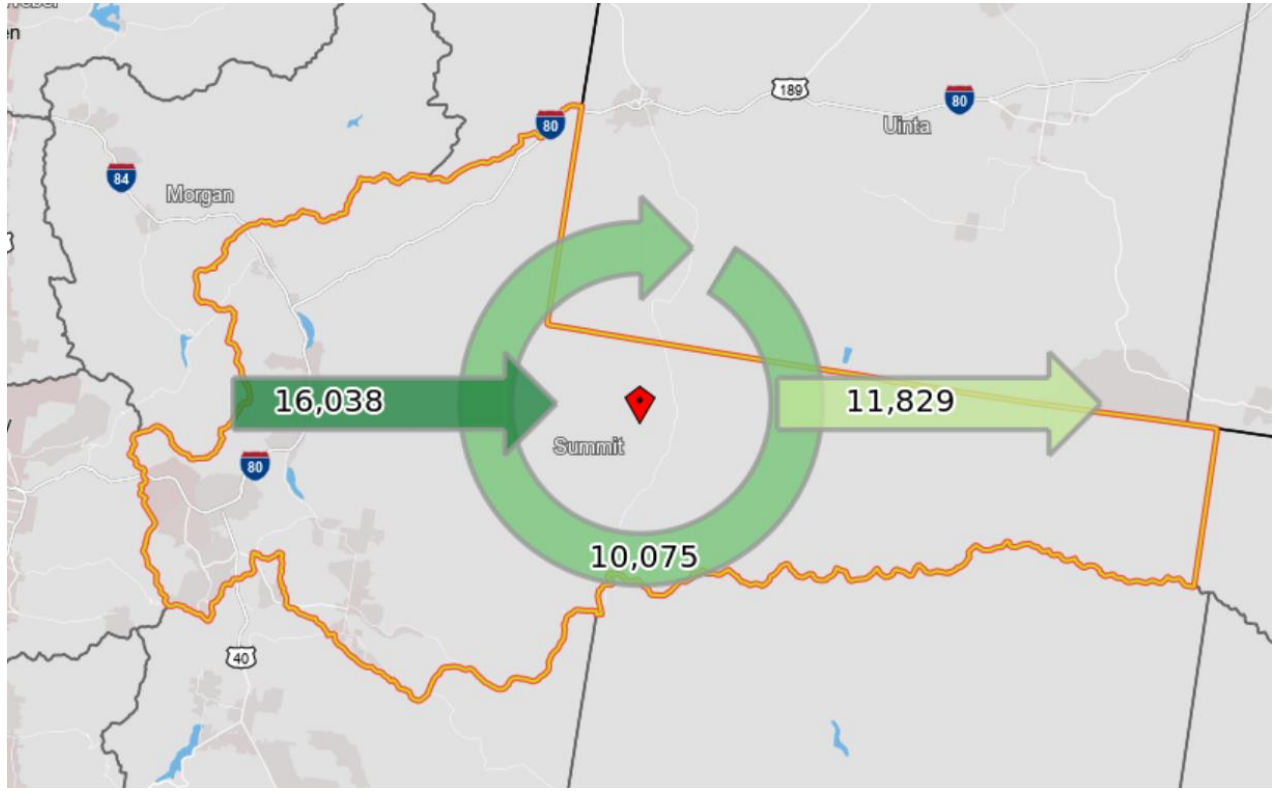




INFLOW/OUTFLOW, 2018 Summit County

- Source: US Census Bureau





2021 NET COMMUTERS BY ZIP CODE

Zip Code	Net Commuters
84098 – Park City	-2,148
84060 – Park City	9,414
84017 – Coalville City	-1,790
84055 – Oakley City	144
84061– Peoa CDP	-227
84033 – Henefer Town	-14
84036 – Kamas City	-3,100

Net Commuters. The minimum number of workers who commute in or out of a given Zip Code to satisfy the regional numbers of jobs held. A positive number describes commuters entering the zip code while a negative number describes commuters leaving a region

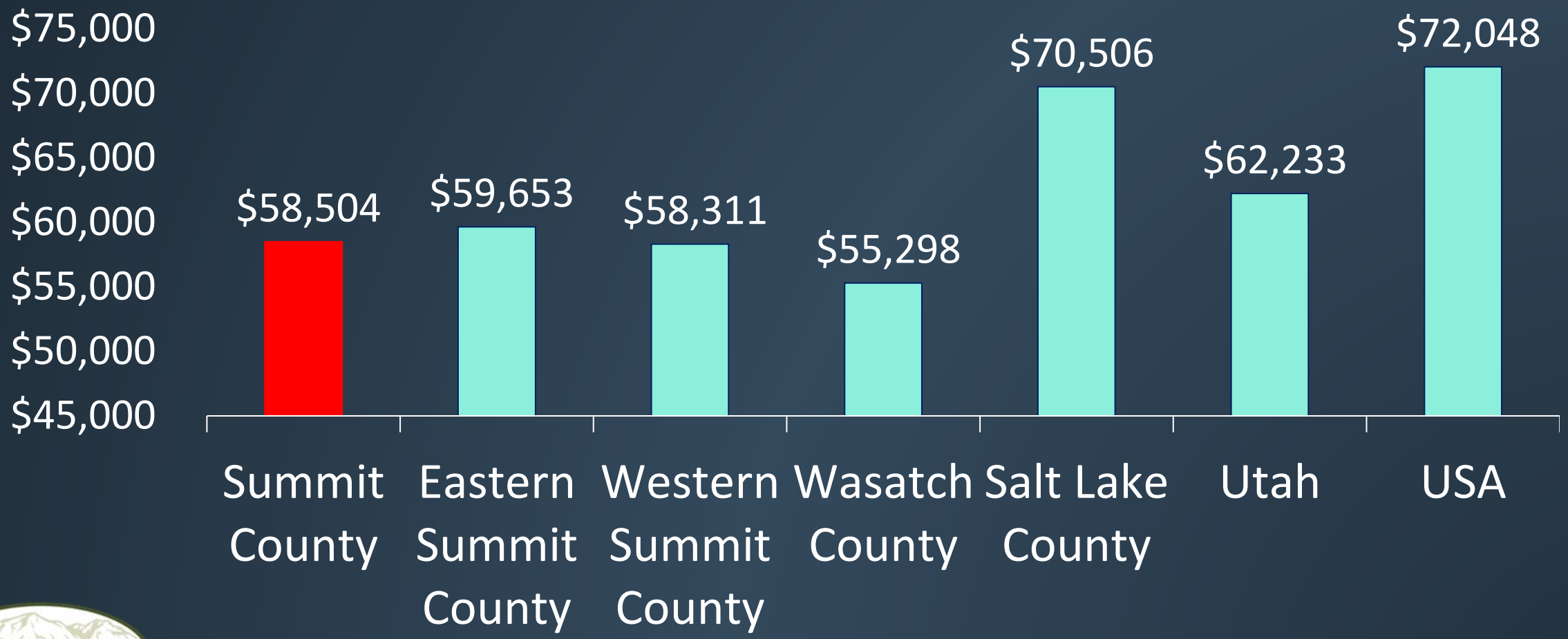
Source: EMSI Developer. EMSI calculates this number by subtracting the Resident Workers from Jobs performed in the selected region. Resident Worker data comes from the Census LODES data, specifically from Origin and Destination (OD) data, Regional Area Characteristics (RAC), and Workforce Area Characteristics (WAC) data which EMSI applies to the occupation jobs figures

SUMMIT COUNTY UTAH

2021

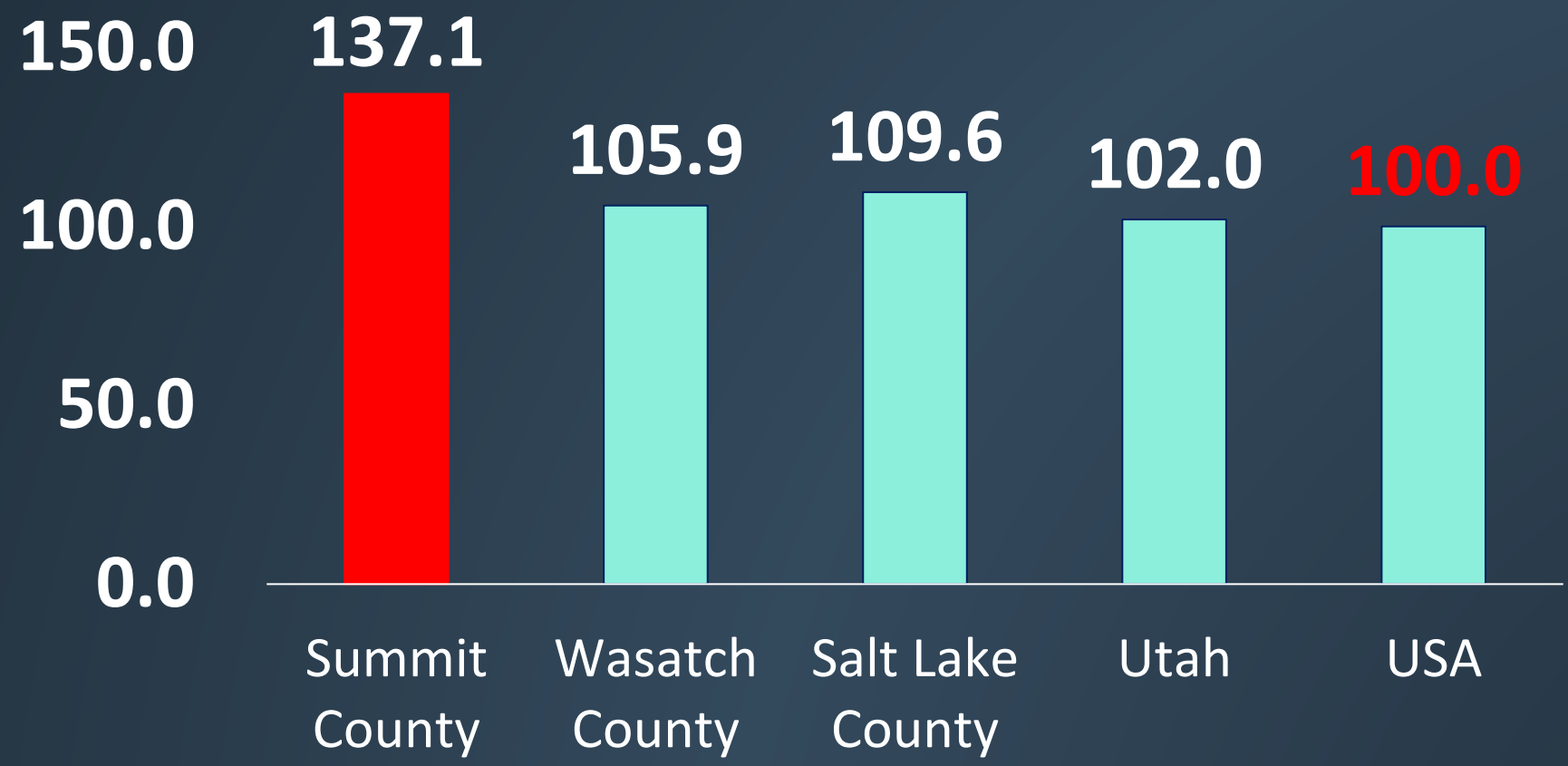
EARNINGS

AVERGE EARNINGS PER JOB (2020)



Source: EMSI Developer

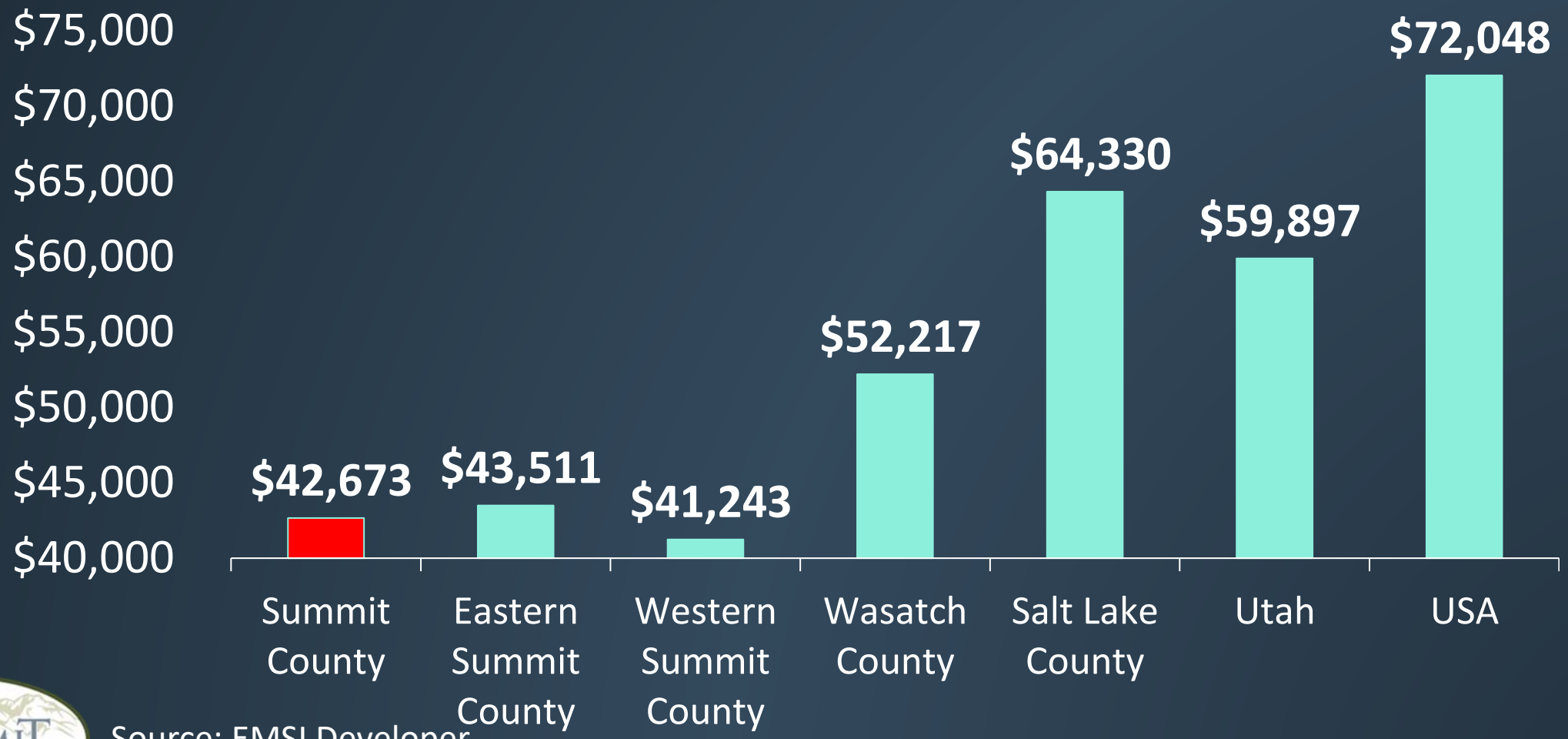
COST OF LIVING (COL)



Source: EMSI Developer

2021

AVERGE EARNINGS PER JOB ADJUSTED BY COST OF LIVING



Source: EMSI Developer

2021

COST OF HOUSING

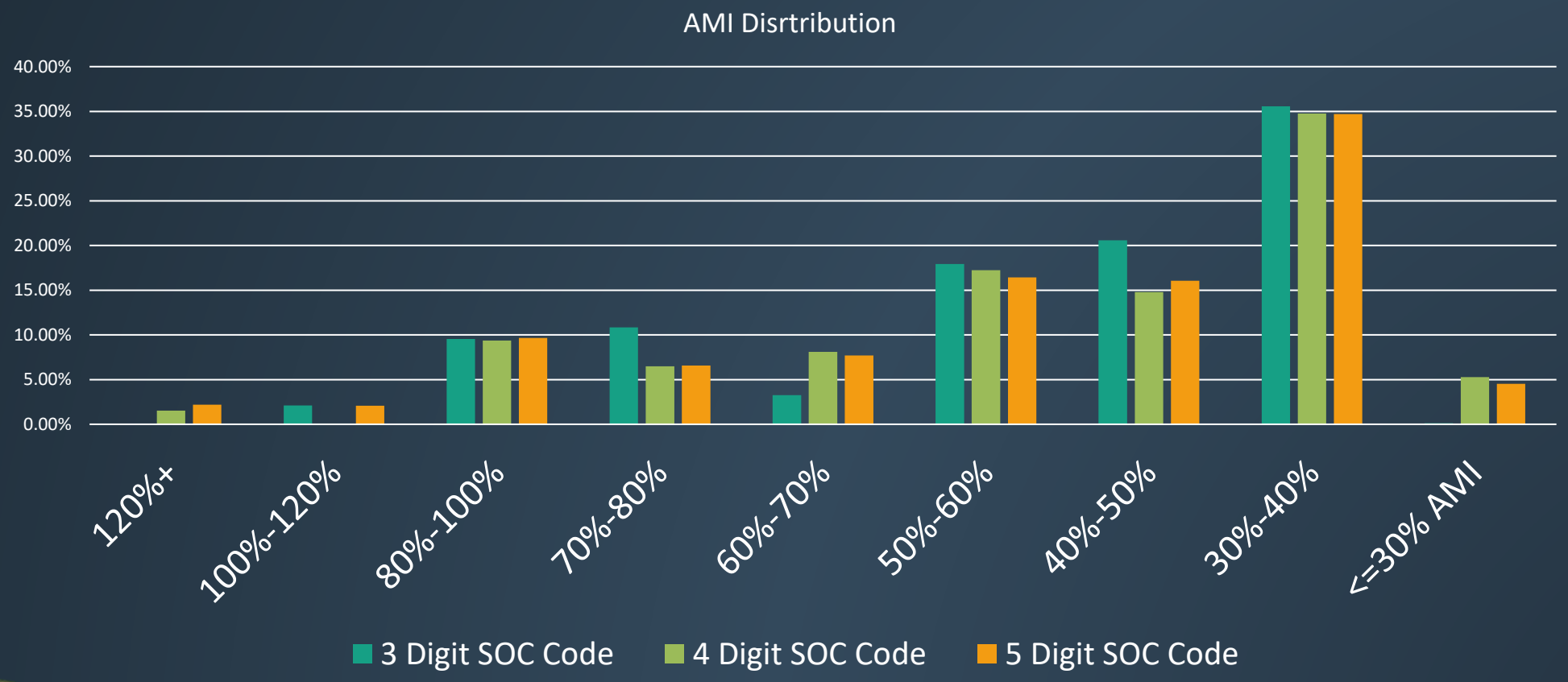
AREA MEDIAN INCOME, 2021 ADJUSTED FOR HOUSEHOLD SIZE

		30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	100% AMI	120% AMI
1	Person	$25,110	$33,480	$41,850	$50,220	$58,590	**$66,960**	$84,611	$106,914
2	Person	$28,680	$38,240	$47,800	$57,360	$66,920	**$76,480**	$96,640	$122,114
3	Person	$32,280	$43,040	$53,800	$64,560	$75,320	**$86,080**	$108,771	$137,443
4	Person	$35,850	$47,800	$59,750	$71,700	$83,650	**$95,600**	**$120,800**	$152,643
5	Person	$38,730	$51,640	$64,550	$77,460	$90,370	**$103,280**	$130,504	$164,905
6	Person	$41,610	$55,480	$69,350	$83,220	$97,090	**$110,960**	$140,209	$177,168

Source: HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

2021

OCCUPATIONAL MEDIAN EARNNGS PER JOB & AMI THRESHOLDS FOR SINGLE PERSON HOUSEHOLD



EMSI Developer/HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

2021

MAXIMUM RENT (ADJUSTED BY OCCUPANCY) 80% AMI

	Occupancy	AMI Target	Total Income Per Unit based on Occupancies and AMI %	Maximum Monthly Rent Including Utilities Based on AMI %
Studio	1.00	80% AMI	$66,960	$1,674.00
1 Bedroom	2.00	80% AMI	$76,480	$1,912.00
2 Bedroom	3.00	80% AMI	$86,080	$2,152.00
3+ Bedroom	4.00	80% AMI	$95,600	$2,390.00

See if you can find a unit that matches the maximum monthly rent for the targeted AMI. Remember the number includes utilities. https://www.trulia.com/

Source: HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

MAXIMUM RENT (ADJUSTED BY OCCUPANCY) 60% AMI

	Occupancy	AMI Target	Total Income Per Unit based on Occupancies and AMI %	Maximum Monthly Rent Including Utilities Based on AMI %
Studio	1.00	60% AMI	$50,220	$1,255.50
1 Bedroom	2.00	60% AMI	$57,360	$1,434.00
2 Bedroom	3.00	60% AMI	$64,560	$1,614.00
3+ Bedroom	4.00	60% AMI	$71,700	$1,792.50

See if you can find a unit that matches the maximum monthly rent for the targeted AMI. Remember the number includes utilities. https://www.trulia.com/

Source: HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

MAXIMUM RENT (ADJUSTED BY OCCUPANCY) 60% AMI

	Occupancy	AMI Target	Total Income Per Unit based on Occupancies and AMI %	Maximum Monthly Rent Including Utilities Based on AMI %
Studio	1.00	40% AMI	$33,480	$837.00
1 Bedroom	2.00	40% AMI	$38,240	$956.00
2 Bedroom	3.00	40% AMI	$43,040	$1,076.00
3+ Bedroom	4.00	40% AMI	$47,800	$1,195.00

See if you can find a unit that matches the maximum monthly rent for the targeted AMI. Remember the number includes utilities. https://www.trulia.com/

Source: HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

MAXIMUM SALES PRICE, 80% AMI, 2-BED

1. 5% Down payment
2. Mortgage Interest rate 3.14%
3. HOA dues = $300 Month
4. Annual Property Tax = $1,452
5. Annual Insurance $500
6. Annual Private Mortgage Insurance $1,000

Median Sales Price for a home in Summit County for April 2021 was ($1,337,500).

Sales Price Approximately = $264,000

See if you can find a unit that matches the maximum sales price for the targeted AMI. https://www.trulia.com/

Source: HUD FY 2021 Multifamily Tax Subsidy Project Income Limits

EXISTING COST BURDEN

COST BURDENED OWNERS

Income by Cost Burden (Owners only)	>30% of Income	Units
Household Income <= 30% AMI	4.40%	507
Household Income >30% to <=50% AMI	4.20%	484
Household Income >50% to <=80% AMI	3.10%	357
Household Income >80% to <=100% AMI	3.10%	357
Household Income >100% AMI	6.80%	783
Total	**21.6%**	2488
Income by Cost Burden (Owners only)	>50% of Income	Units
Household Income <= 30% AMI	3.70%	426
Household Income >30% to <=50% AMI	2.30%	265
Household Income >50% to <=80% AMI	1.20%	138
Household Income >80% to <=100% AMI	1.30%	150
Household Income >100% AMI	1.20%	138
Total	**9.70%**	1117

Source: HUD CHAS/EMSI Developer

COST BURDENED RENTERS

Income by Cost Burden (Renters only)	>30% of Income	Units
Household Income <= 30% AMI	14.30%	588
Household Income >30% to <=50% AMI	10.10%	415
Household Income >50% to <=80% AMI	5.50%	226
Household Income >80% to <=100% AMI	4.40%	181
Household Income >100% AMI	2.90%	119
Total	**37.2%**	1529
Income by Cost Burden (Renters only)	>50% of Income	Units
Household Income <= 30% AMI	10.60%	436
Household Income >30% to <=50% AMI	3.60%	148
Household Income >50% to <=80% AMI	0.77%	32
Household Income >80% to <=100% AMI	0.64%	26
Household Income >100% AMI	0.00%	0
Total	**15.60%**	642

Source: HUD CHAS/EMSI Developer

NEEDS ASSESSMENT MODEL

DEFINITION OF HOUSING NEEDS ASSESSMENT

- A housing "needs assessment" estimates how much housing, of what type and at what price, are needed.
- A needs assessment is based upon demographic data, employment trends, and policy considerations.
- A needs assessment should provide a quantitative basis for considering the following:
  - Adequacy of the County's planned housing capacity, vacant sites and respective development regulations.
  - Need for changes to County policy such as zoning regulations or the General Plan's growth management provisions.
  - Potential costs and strategies for meeting future affordable housing needs.

Source: Summit County Economic Development Office

DEFINITION OF HOUSING NEEDS ASSESSMENT

- Housing need can be defined in various ways:
  - Policy-based targets related to percentage of households living and working in the County;
  - Local household formation forecast based only on population growth;
  - Employment growth-based forecast (job growth and household formation);
  - Existing households "overpaying" for housing (cost burdened)

Models often include a combination of approaches.

Source: Summit County Economic Development Office

OBSERVATIONS AND PRELIMINARY CONCLUSIONS

- In 2018, 38.6% of all the jobs in Summit County were filled by Summit County residents.
- In 2002, 45.4% of all jobs in Summit county were filled by Summit County residents. This would indicate that the County's working households are being displaced by increased rents and home prices.
- Increasingly, even "Above Moderate" income households cannot afford a home in Summit County. The median sales price for a home in Summit County for April 2021 was $1,337,500.
- The average earnings per job (all jobs) in Summit County for 2020 was estimated at $58,504.
- A high percentage of jobs in Summit County have median earnings between 30%-60% of the County's Area Median Income.

Source: Summit County Economic Development Office/Utah Association of Realtors, April 2021 Median Sales Price

POLICY QUESTIONS

Policy Question #1

- What % of existing employees in Summit County should live in Summit County?
- Currently, 38.6% of employees live and work in Summit County.
- What % of <u>future</u> employees in Summit County should live in Summit County?
- It is projected that 6,142 new jobs will be created between 2021 and 2031.

Policy Question #2

- What steps should the County take to reduce the number of households paying more than 30% or 50% of their income for contract rent?
- It is estimated that 1,529 households are paying in excess of 30% of their income for rent and 642 households are paying in excess of 50% of their income for rent. Should additional deed restricted units be created to reduce this burden? What about cost burdened ownership units?

SUMMIT COUNTY UTAH

2021

POLICY QUESTIONS

Policy Question #3

- Over the next ten (10) years, population projections show that household formations will result in the need to accommodate between 232-284 households annually.
- What % of these households should be targeted as “affordable?”

Policy Question #4

- Has enough land been zoned to accommodate affordable/workforce housing populations?
- Are other jurisdictions in Summit County facilitating their “fair share” of affordable housing? What should a “fair share” formula look?

SUMMIT COUNTY UTAH

2021

DIRECTION TO STAFF

Part 2 of the housing discussion (stewardship, units in the pipeline, etc.) is scheduled for June 16th. As such, staff could potentially prepare a model and projected 10-year housing need based on the Council's response to the policy questions.

The Council might also consider tasking staff with the development of a "fair share" model in partnership with other communities within Summit County.

SUMMIT COUNTY UTAH

2021