

Housing
Committee
Presentation
for Cedar
City Council

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Who needs change in housing policy?

- Newly married couples wanting to live in the same town as their parents.
- Young professionals, college students, and individuals living alone who don't want or need a 3-bedroom unit.
- Those on limited income, disability, aging population looking for a place to live that is affordable and isn't oversized for their needs.

And this is where I come in...

- Women leaving abusive relationships who work, have secured assistance with funding, and cannot find a livable unit that fit the needs of her family.
- The influx of homeless individuals that have no access to affordable and independent housing due to a limited supply in that range

Committee Purpose



Research, discuss, and recommend ways to bring the right kind of housing to the market to mirror the needs we have in the community, Specifically, the “Missing Middle Housing”



Bring people from different viewpoints to the table to provide perspective



Focus on a serious issue that we are facing in the community



The Missing Middle

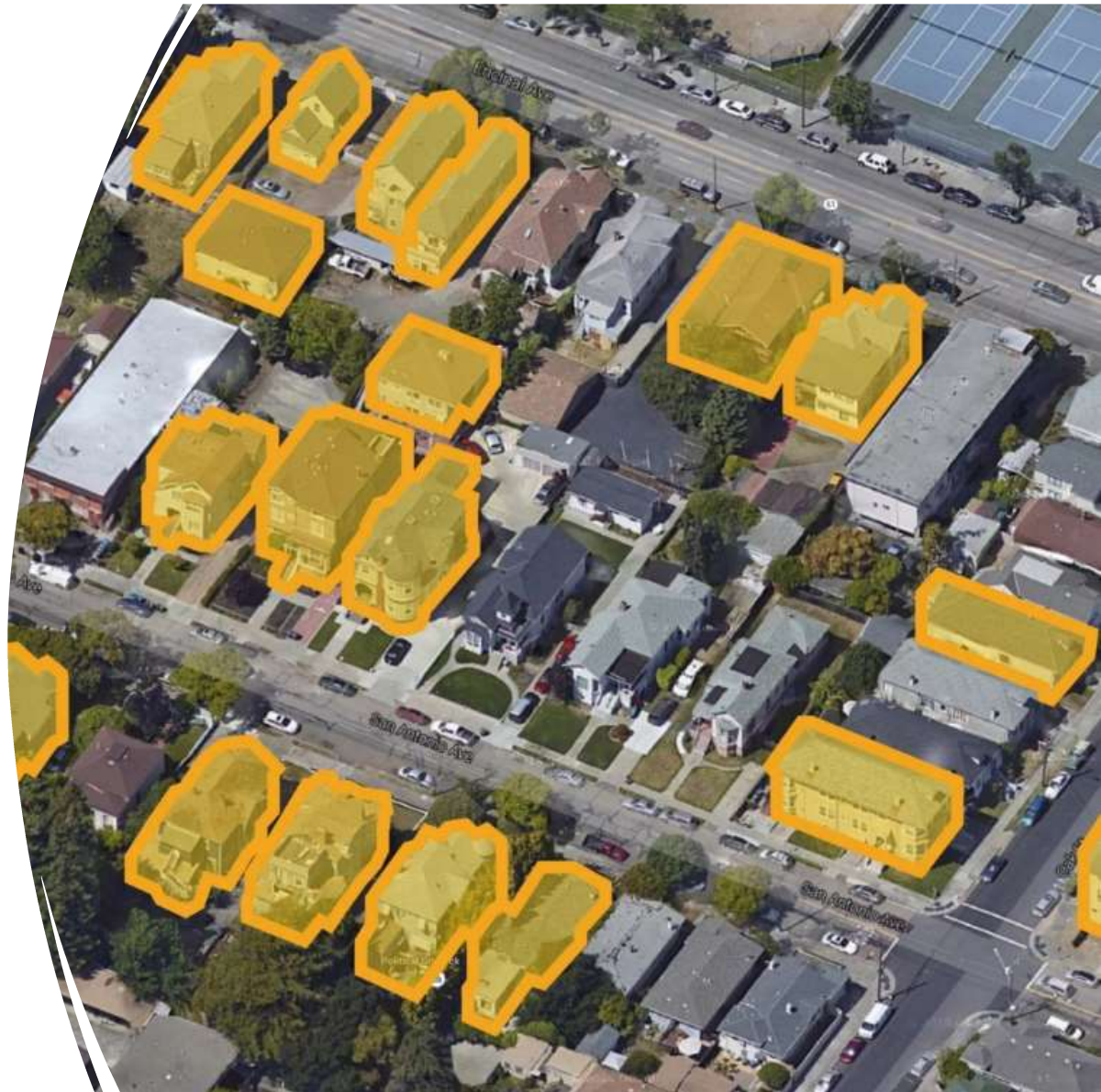


What is “Missing Middle Housing?”

The term "missing middle" is meant to describe housing types that were common in the pre-WWII United States such as duplexes, rowhomes, and courtyard apartments but are now less common and, therefore, "missing."

Barriers & Impediments to Accomplishing “Missing Middle Housing”

- Zoning that does not permit or encourage middle housing
- Parking requirements
- Neighborhood opposition to sustainable building patterns





Why do we need
to adjust?

From the Utah Foundation report on Middle Housing

- More than 80% of Utahns feel that home prices and rents are too high.
- Over time, the cost of lower-priced homes has increased more than higher-priced ones, so the attainability of homeownership with affordable mortgages has disappeared for some Utahns.
- Most Utahns think they could not afford the homes they currently own if they wanted to purchase them today.
- Nearly 90% of Utahns are worried about housing costs, but even more are worried about the costs to our young residents.
- Utah's rapid population growth is projected to continue. While the younger population is expected to shrink in percentage terms, the number of young households is expected to grow in sheer numbers – suggesting a need for lower-cost, entry-level housing options.

Utah Foundation Solutions

- Apartment complexes alone cannot close the 45,000-door Utah housing gap, considering the demand for owned homes.
- Single-family homes cannot close the gap considering costs. Instead, Utahns need a wider variety of options
- Middle housing seeks to cover a range of rental and for-sale price points. Middle housing is usually more costly than lower-income housing but below single-family market rate housing.
- The cost of building middle housing is often less per square foot than midrise and high-rise condos and apartments because they are stick frame, wood-constructed units, with lower costs for materials and simpler construction parameters.
- Middle housing focuses on smaller-sized, often attached, homes on smaller lots.

Utah Foundation Middle Housing Reports

- Part 1: The Scope of the Challenge
<https://www.utahfoundation.org/wp-content/uploads/rr792.pdf>
- Part 2: What is the Middle Housing, and Where is It? <https://www.utahfoundation.org/wp-content/uploads/rr794.pdf>
- Part 3: Utahns' Development Preferences <https://www.utahfoundation.org/wp-content/uploads/rr795.pdf>
- Part 4: Obstacles and Opportunities <https://www.utahfoundation.org/wp-content/uploads/rr796.pdf>

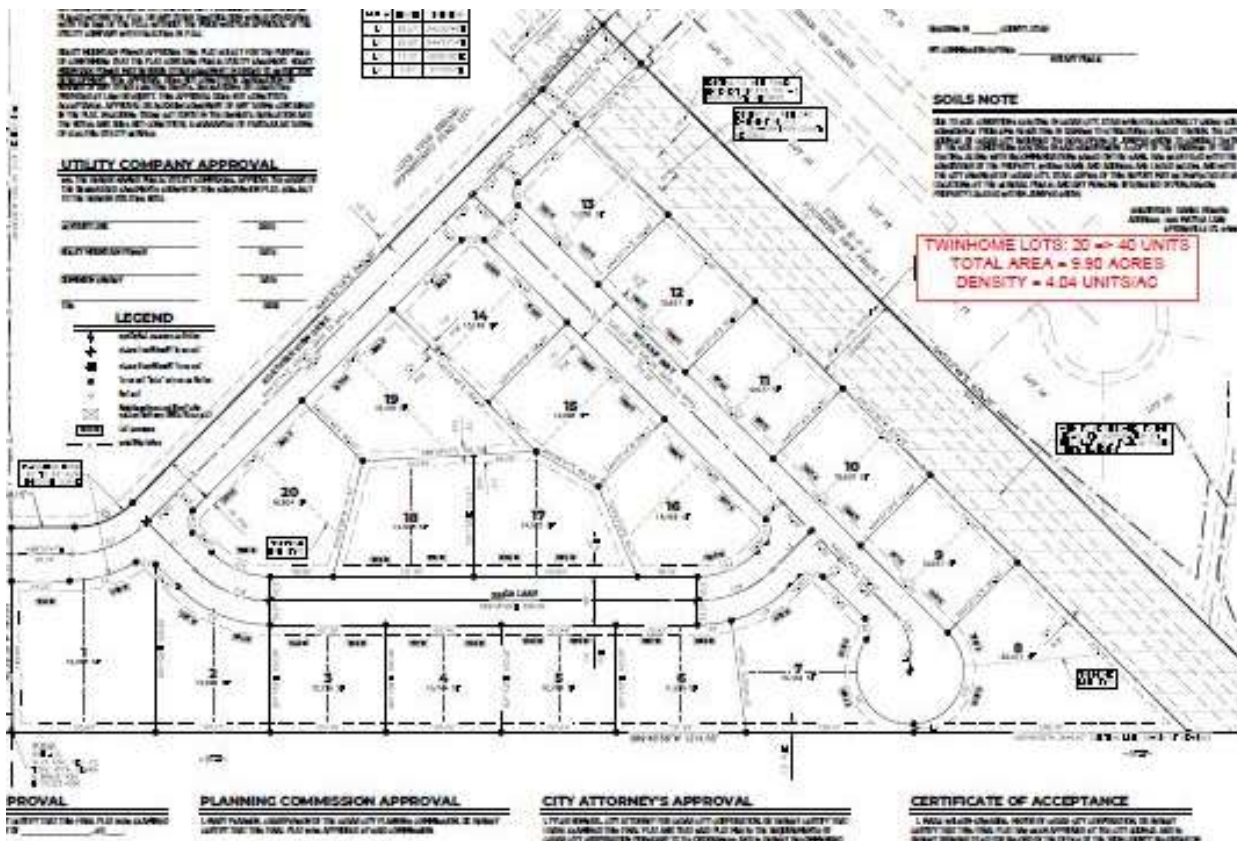
Summary of Committee Recommendations

1. Allow permitted guest homes to be used as rental dwellings ✓
2. Allow subdivisions to plat based on building envelope & general plan density
3. Revise RDO standards to allow mixed housing types in larger projects
4. Explore owner occupancy standards in certain cases
5. Consider changes for aging neighborhoods and the downtown area



Recommendation #1: Allow permitted guest homes to be used as rental dwellings

- We identified a need to generate more housing/rentals within existing lots by utilizing the similar requirements to the guest homes we already allow in almost all residential zones
- This allows for infill and additional housing within existing areas and specifically older areas of town, which hopefully can promote some revitalization of existing properties
- Allows homeowners to generate additional income and provides more rentals to market, usually below market value
- City Council approved external ADU's on March 23, 2022, which is a great first step



Recommendation #2: Allow subdivisions to plat based on building envelope & general plan density

Problem, Solution, and Application

- We identified conflicts between permitted density in the current general plan, and what can feasibly be built with our current standards.
- The current zoning minimum widths and lot area requirement allow for very little variation in lot layout and require bigger lots than the planned density would require.

The Solution: Efficiency Subdivision Option

- Use existing general plan densities and plat lots based on a minimum building envelope and minimum envelope width

Existing applications:

- Cedar City's Residential Estates Zone
- Iron County's Maximum Density Option



Applied Solution

Twin Homes: 17 Lots =>
34 Units
Single Family: 24 Lots
Total = 41 Lots => **58 Units**
Subdivision Area =
9.90 Acres
Density = 58 Units/9.9
Acres = **5.85 Units/AC**
Existing Plat (from 2
slides ago): 20 Twin
Home lots, 40 total units



Benefits of the Efficiency Option

- Density is closer to general plan
- Allows smaller more unique lot configuration if min. envelope can be achieved
- More efficient distribution of city infrastructure
- May reduce future R-3 zoning needs
- Reduces requests for general plan and zone changes
- Provides better medium density housing mix while eliminating 'seas' of garage doors by requiring each twin home subdivision phase to not exceed 50% twin home units.

Recommendation #3: Revise RDO standards to allow mixed housing types in larger projects

- In its current state, RDO process allows bonus density that is unattainable and therefore unattractive.
- Cedar City can adopt RDO bonus densities and policies that allow a mix of housing types without changing the zone or general plan of the subdivision.
- Example: With the efficiency subdivision option, a Low Density RDO could reach permitted bonus densities if 60% of units are R-1 standard, 30% maximum could be R-2 standard, and 10% maximum could be R-3 standard.
- Developers could vary lot and housing types and sizes, and work product of higher density impacts the marketability of lower density parts.



John Burns
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Large investors (own 10+ homes) purchased 6% of the homes in the country in January. Small investors (<10 homes) purchased 27%. Owner occupants purchased 67%. The total investor share (33%) is a 5% larger market share than the average over the last decade.

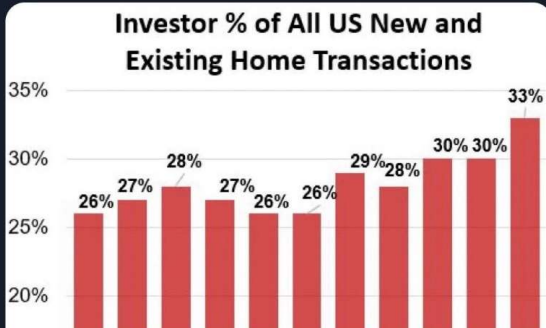
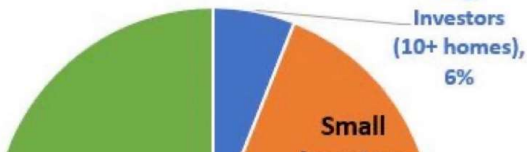


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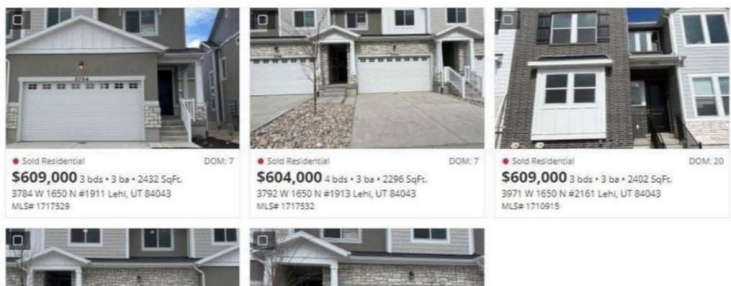
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Investors now buy 33% of all the homes in the country. We define an investment to include any property where the property tax bill is sent to another address. I will post the % that are large vs small investors at this same time tomorrow.

US Home Buying Market Share January 2022



5 townhomes in Lehi fell out of contract and were bought by a single investor, thanks Edge Homes!



Recommendation #4: Explore owner occupancy standards in certain cases



BABY BOOMERS IN 1989:

- BETWEEN 25-43 YEARS OLD
- OWNED 21.2% OF OVERALL U.S. HOUSEHOLD WEALTH
- OWNED 32.8% OF U.S. HOUSEHOLD REAL ESTATE WEALTH
- OWNED 18.1% OF U.S. HOUSEHOLD CORPORATE EQUITIES AND MUTUAL FUND SHARE WEALTH

MILLENNIALS IN 2021:

- BETWEEN 25-40 YEARS OLD
- OWNED 5.9% OF OVERALL U.S. HOUSEHOLD WEALTH
- OWNED 12.5% OF U.S. HOUSEHOLD REAL ESTATE WEALTH
- OWNED 2.5% OF U.S. HOUSEHOLD CORPORATE EQUITIES AND MUTUAL FUND SHARE WEALTH



SOURCES: FEDERALRESERVE.GOV/RELEASES/Z1/DATAVIZ/DFA/DISTRIBUTE/CHART/

@PROGRESSFORTHEPEOPLE

Benefits of Owner Occupancy Standards

- Occupancy Standards may help Cedar City's low owner occupancy rate of 54%
- Occupancy Standards increase work product quality while reducing cost by 30% or more
- Occupancy Standards reduce parking pressures





Recommendation #5: Consider policies aimed at aging neighborhoods and downtown.



General Policies to Consider

- Encourage the preservation of old structures
- Expand opportunities for downtown living
- Consider multifamily options on smaller footprints to allow more incremental intensification instead of limiting redevelopment to large multi-lot buildings.
- Explore parking policies that encourage residential and retail/restaurant uses near downtown.



Take out the roads,
and over 40% of
this land is devoted
to parking &
driveways

Avoid Shock of Rapid Leaps in Development



Form-Based
Options
Focus on
Incremental
Steps



**The
Missing
Middle**