HOUSING
AFFORDABILITY &
NEIGHBORHOOD
PARTNERSHIP
INITIATIVE

Prepared by the Orem City Planning Division and Community Services Department
Housing is “affordable” if a household can attain it (including rent, mortgage payment, taxes, property taxes, and utilities) with no more than 30% of that household’s gross income.
Affordable housing doesn’t necessarily mean large, multi-family complexes. It can be medium-density townhomes, small duplexes and triplexes, accessory apartments, or even single family homes.

Example of affordable housing in Park City. This project consists of single family homes that range from $192k to $280k, which is 80% less than comparable dwellings in the area.

https://www.parkcity.org/how-do-i/affordable-housing
Affordable housing matters because...

• High housing costs reduce disposable income, which means that families with modest incomes have less money to pay bills, buy groceries, health care, and purchase other necessities.

• High housing costs also prevent people from spending money at local restaurants and shops, so the economy is not as vibrant as it could be.

• High housing costs can push families into homelessness.
Affordable housing matters because...

- Studies show that children in stable housing do better in school and are less likely to experience disruption in their education due to unwanted moves.
- Decent, affordable housing reduces stress, toxins, and infectious disease, which leads to improvement in both physical and mental health.
- Affordable homes can attract and retain employees to your community.
- Affordable homes also support the local workforce so they can live close to their jobs.
- In revitalizing communities, the construction of affordable homes can also help to stimulate economic growth.
- A healthy mix of housing options, from market-rate and affordable rental housing, single-family homes, duplexes, as well as developments for seniors, ensures opportunities for all individuals to improve their economic situation and contribute to their communities.
Many important professions are significantly impacted by the lack of affordable housing.
HUD uses the following categories to quantify median household incomes:

- **Households below the poverty level**
  - Individuals making **less than $12,490 per year**. This category accounts for approximately 6% of Orem’s population.

- **Low wage workers**
  - Households making **less than $29,039 per year**, or less than 50% of the area median household income. This category accounts for approximately 12% of Orem’s population.

- **Low-income households**
  - Households making **less than $46,462 per year**, or less than 80% of the area median household income. This category accounts for approximately 24% of Orem's population.

- **Moderate-income households**
  - Households making **less than $69,692 per year**, or between 80 – 120% of the area median household income. This category accounts for approximately 22% of Orem’s population.

Source: ACS 2018 5-year estimates.
Households below the poverty level

Housing that is affordable for those below the poverty level must be less than $312/month.

Low wage workers

Housing that is affordable for low wage workers must be less than $726/month.

Low-income households

Housing that is affordable for low-income families must be less than $1162/month.

Moderate-income households

Housing that is affordable for moderate-income families must be less than $1742/month.

Source: ACS 2018 5-year estimates.
The number of new housing units does not meet the number of new households.

This has caused housing costs to increase due to high demand and lack of supply.
As of 2018, 24.6% of moderate to low income households in Orem were paying more than 30% of their monthly income towards housing costs. This corresponds to 6,769 households living in unaffordable housing.
Common impediments to affordable housing

• Lack of funding
• Supply of rental units for large families
• Limited land for development
• Construction and land costs
• Current zoning
• Neighborhood resistance (NIMBY-ism)
• Continued high housing costs
• Belief that low-income housing is a detriment to economic development
• High mortgage application denials for Hispanics and other minorities
What has Orem done to promote housing affordability?

- Student housing developments
- Multi-family developments
- Accessory apartments
- Senior overlay zone
- The State Street mixed-use districts
- Affordable Housing Summit & Charrette
- Provided CDBG funding to Habitat for Humanity of Utah County to build two affordable housing projects
- The City has partnered with the Utah Valley Consortium to offer a loan to own program for area individuals and families looking to purchase a home for their first time
- Currently looking to partner with local affordable housing developer on a senior apartment project and a pocket neighborhood concept project
Utah law now mandates cities to take the biennial plan further by requiring cities to produce:

- An updated moderate-income housing plan that ensures adequate housing opportunities for people of various income levels by December 1\textsuperscript{st}, 2019

- A recommendation to implement 3 or more moderate-income strategies from the State’s “menu” of planning tools

- Annual reports on the implementation of moderate-income housing strategies, due yearly starting on December 1\textsuperscript{st}, 2020
Orem’s Biennial Plan

- Examines the current challenges in the housing market
- Explores the options available to provide a reasonable opportunity for a variety of housing, including moderate income housing
- Recommends strategies to encourage affordable housing in Orem
- Provides the basis for ongoing conversations to develop a moderate-income housing plan and ensure that Orem remains a City where everyone is welcome
Recommendations

- Update and adopt the Orem Moderate-Income Housing Plan
- Consider inclusionary zoning
- Partner with other public and private agencies
- Fast track affordable housing projects
- Reduce lot size and housing unit size minimums
- Explore a community land trust
- Focus on the missing middle housing
- Re-invest in Orem’s older neighborhoods
Neighborhood Partnership Initiative

• The previous 22 neighborhoods have been combined into nine. These neighborhoods are based on the Development Services neighborhood planning groups and will be used for planning and communication purposes only.
Neighborhood Partnership Initiative

• There are no more leadership positions. Previous chairs have been invited to participate in neighborhood plans, trainings, etc.

• Communication to neighborhood residents will be done through targeted emails, mailings, social media, utility bills, newsletters, schools, and the utilization of a network of community leaders that are connected with the people of a given neighborhood or area.
City Neighborhood Resources
Website Page

https://orem.org/neighborhoods/
Spring and Fall Clean-Ups
Critical Home Repair and Home Rehabilitation Program
Neighborhood Preservation Resource Guide in English and Spanish
Good Neighbor Brochure in English and Spanish
Questions?