

AFFORDABLE HOUSING

STRATEGIC PLANNING

GOVERNOR'S HOUSING SUMMIT WITH UTAH MAYORS



See where Utah ranks nationally to find a starter home

By Lisa Riley Roche, Deseret News | Posted - June 3, 2025 at 8:04 a.m.



KEY TAKEAWAYS

- Utah ranks eighth-worst for starter homes, with Salt Lake at 49th of 54 large U.S. metropolitan areas.
- Factors in the rankings include low availability of small homes and high mortgage-to-income ratios.
- Gov. Spencer Cox aims to build 35,000 starter homes by 2028 to address the issue.

REASONS AFFORDABLE HOUSING IS NOT BEING BUILT IN MIDWAY

1. NIMBY (not in my back yard)

A. Rentals

B. Higher Density

2. Costs:

e.g., land and building costs, profit margins

3. Demand for other types of housing:

High demand in Midway for large, single-family homes on larger lots. Higher profit margins.

DEFINING “AFFORDABLE”

- Often linked to 80% AMI (Average Median Income)

Report from Kem C. Gardner Policy Institute shows Utah's median household income is upwards of \$98,000, nearly 27% higher than the U.S. average.

(All following data slides except those otherwise specified are from Policy Institute's 2025 Report) *2023 values

- | | |
|----------------------------------|-----------------|
| • MIDWAY AMI: \$146,750* | 80% = \$117,400 |
| • HEBER AMI: \$107,784* | 80% = \$ 86,227 |
| • WASATCH COUNTY AMI: \$115,146* | 80% = \$ 92,117 |

30% OF AVERAGE MEDIAN INCOME

Recommendation is 30% of income to be spent on housing. This includes rent, utilities, taxes, insurance.

- Midway AML: $\$146,750 \times 30\% = \$44,025 \div 12 = \$3,669/\text{mo}$
- Heber AML: $\$107,784 \times 30\% = \$32,335 \div 12 = \$2,695/\text{mo}$
- County AML: $\$115,146 \times 30\% = \$34,543 \div 12 = \$2,879/\text{mo}$
- Utah AML: $\$98,000 \times 30\% = \$29,400 \div 12 = \$2,450/\text{mo}$

LOCAL WAGES ESSENTIAL WORKERS

Heber Police:

- Starting wage: \$65,964/yr
- After 5 years: \$80,148/yr

Wasatch School District Teachers:

- Starting wage: \$73,000/yr (Masters Degree \$79K)
- After 5 years: \$78,000/yr (Masters Degree \$84K)

Wasatch Fire:	<u>EMT</u>	<u>Fire</u>	<u>Paramedic</u>
• Starting wage:	\$47,222/yr	\$57,138/yr	\$75,423/yr
• After 5 years:	\$58,463/yr	\$70,741/yr	\$84,889/yr

EXAMPLE

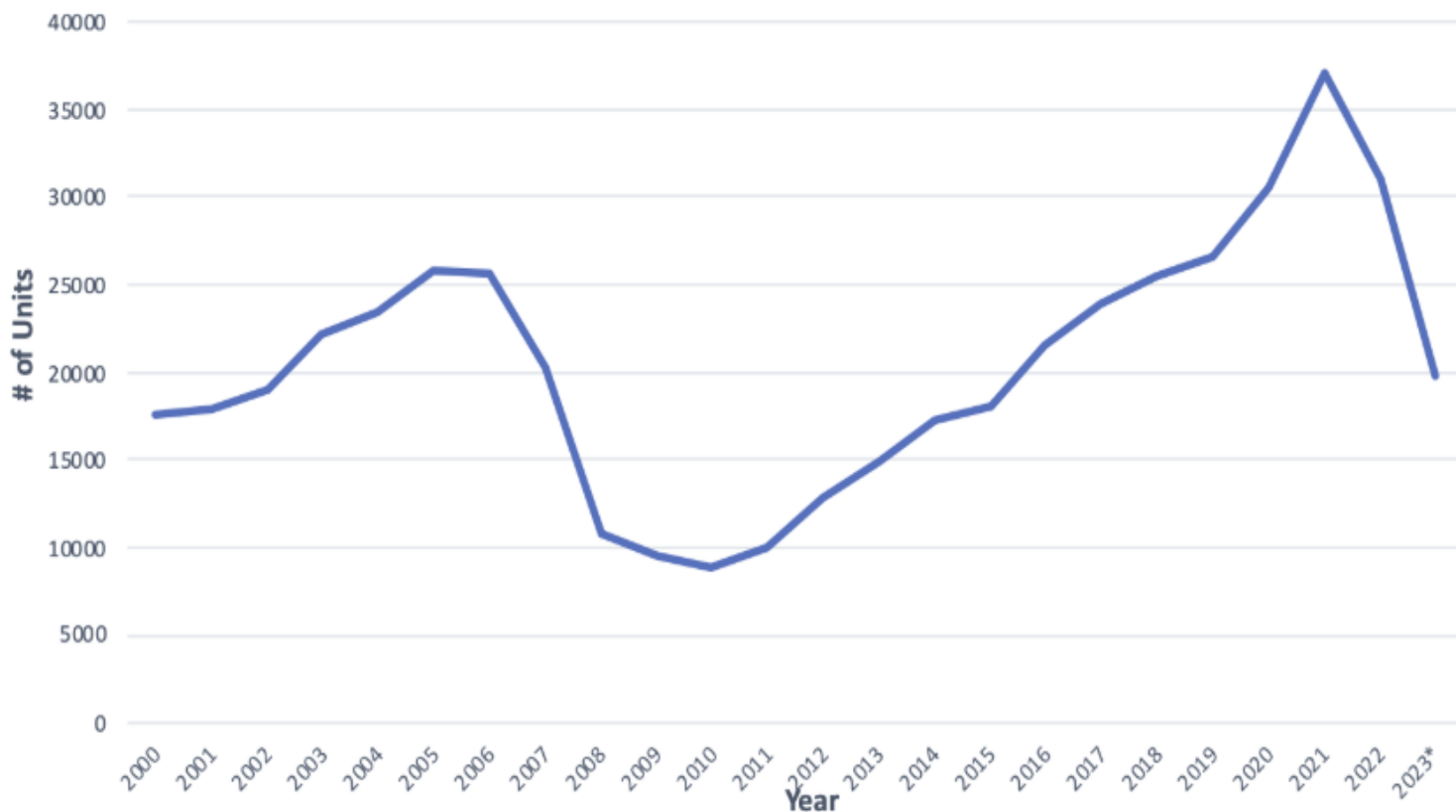
If we assume an annual wage of \$70,000

- 30% of \$70,000 = \$21,000/yr toward housing, or
- \$21,000/yr \div 12 months = \$1,750/month
- What does \$1,750/month afford in Midway?

CENSUS BUREAU DATA SHOWS SHARP DECLINES IN NEW BUILDS SINCE 2021

Year	Housing Starts
2000	17565
2001	17966
2002	18945
2003	22190
2004	23467
2005	25791
2006	25643
2007	20241
2008	10748
2009	9520
2010	8868
2011	9974
2012	12823
2013	14858
2014	17346
2015	18064
2016	21458
2017	23911
2018	25530
2019	26610
2020	30582
2021	37071
2022	30950
2023*	19820

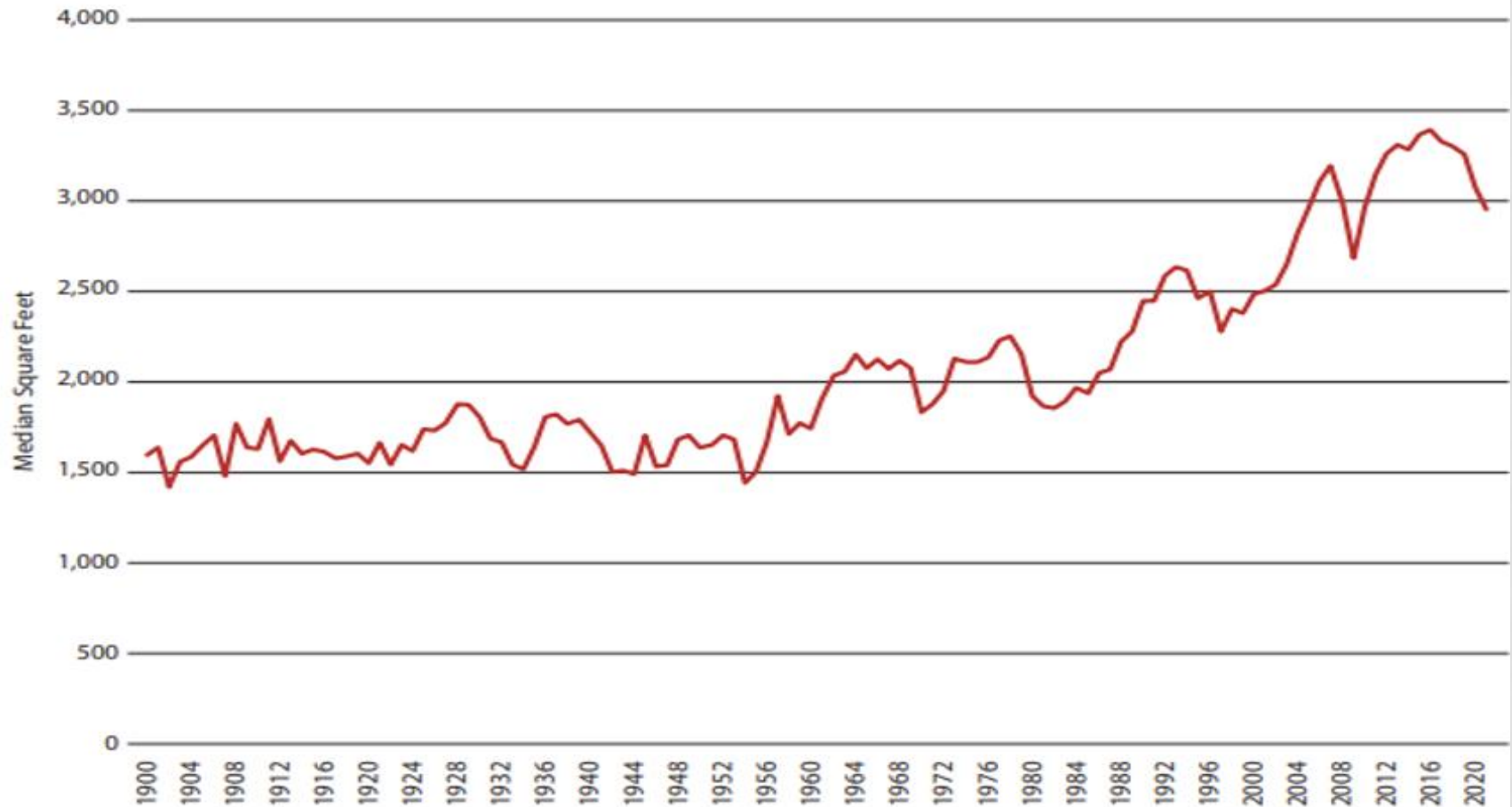
Housing Starts: Total, (# of Units NSA) for Utah
Source: U.S. Census Bureau (BOC): New Residential Construcion



*Jan-Oct

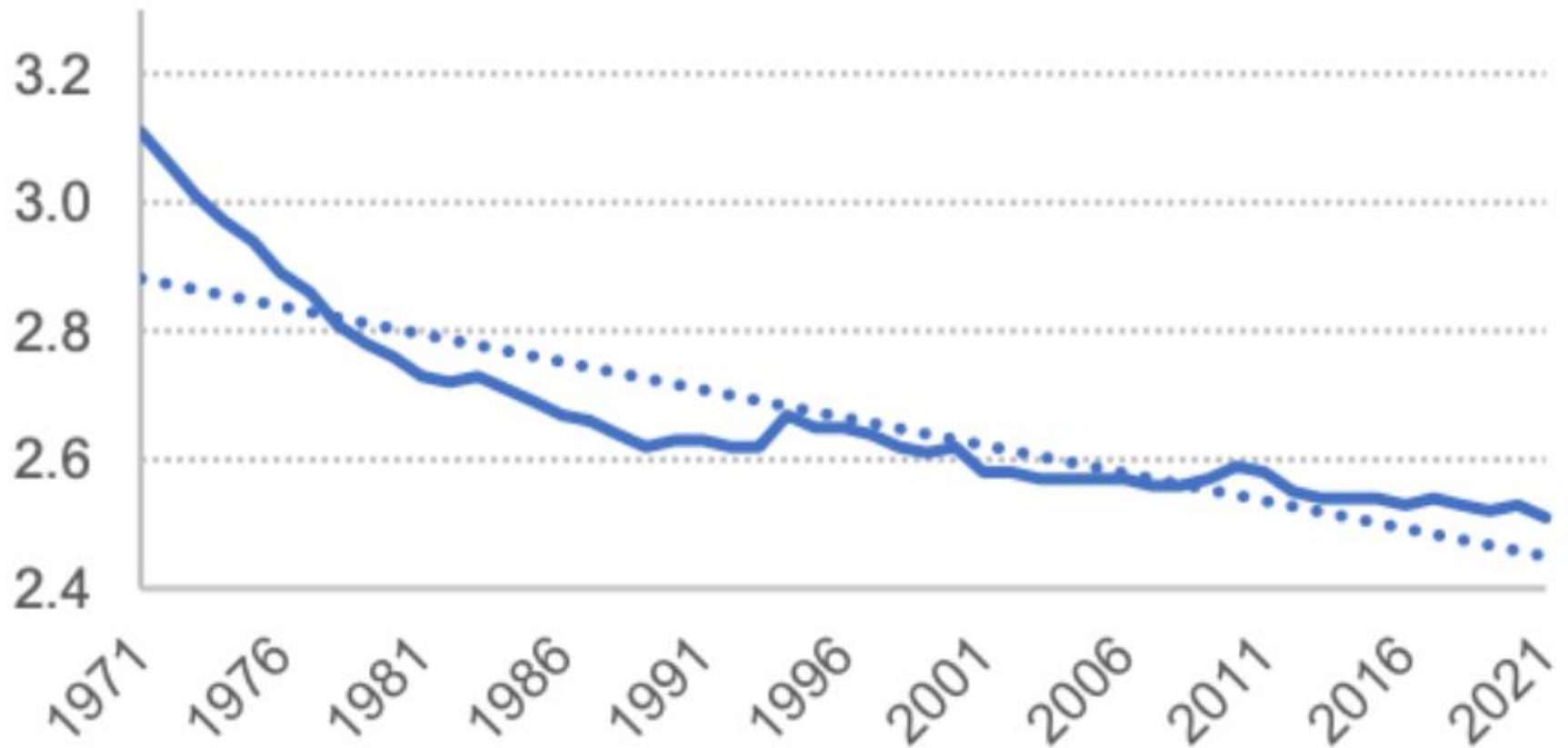
PHYSICAL HOUSE SIZES ARE INCREASING

Median Size of a Single-Family Home by Year Built, Wasatch Front, 1900-2021



NUMBER OF OCCUPANTS DECREASING

Exhibit 1: # of People Per Household

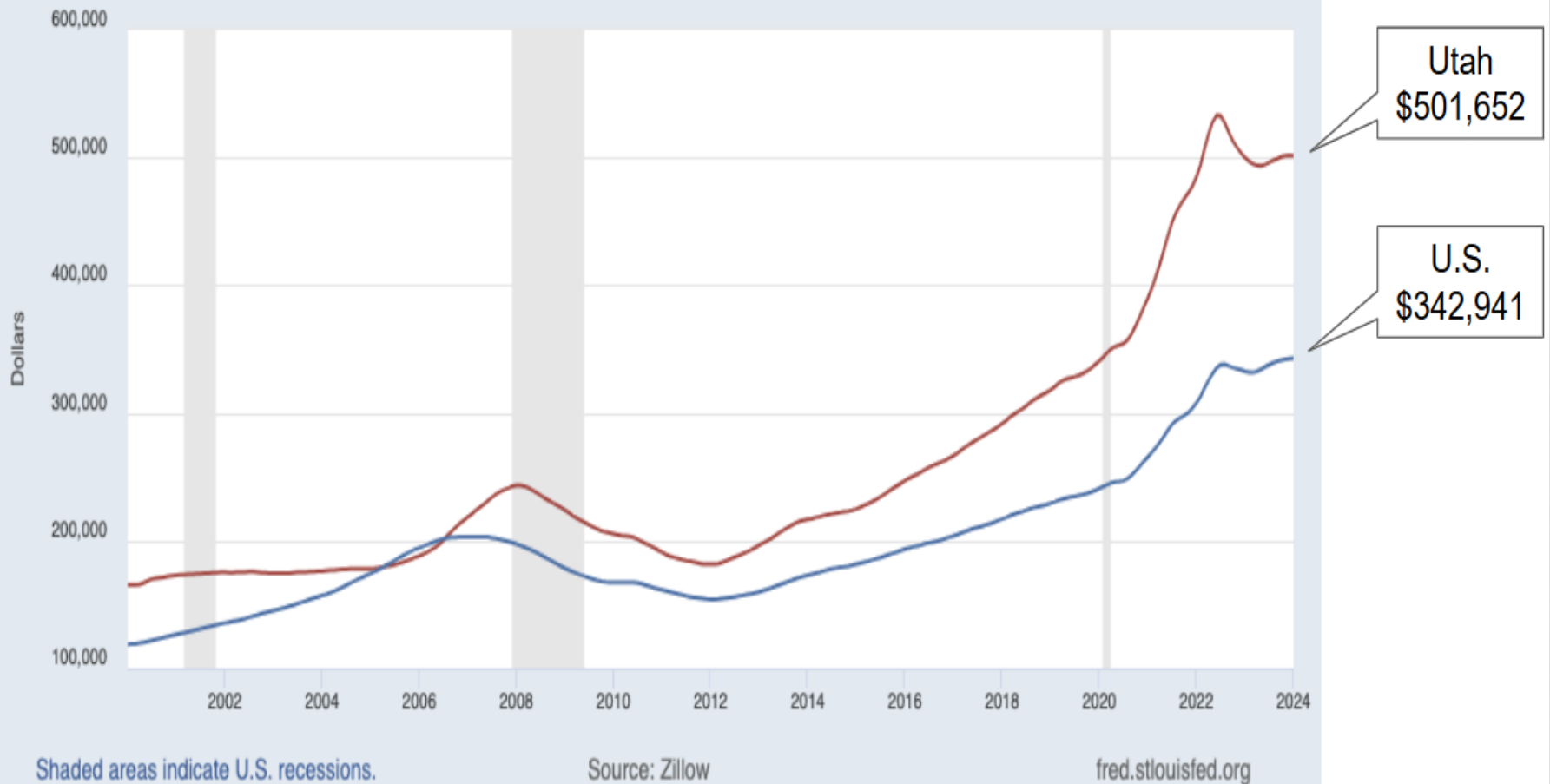


Source: US Census Bureau

UTAH HOME PRICES ARE RISING FASTER THAN U.S. AVERAGE

FRED

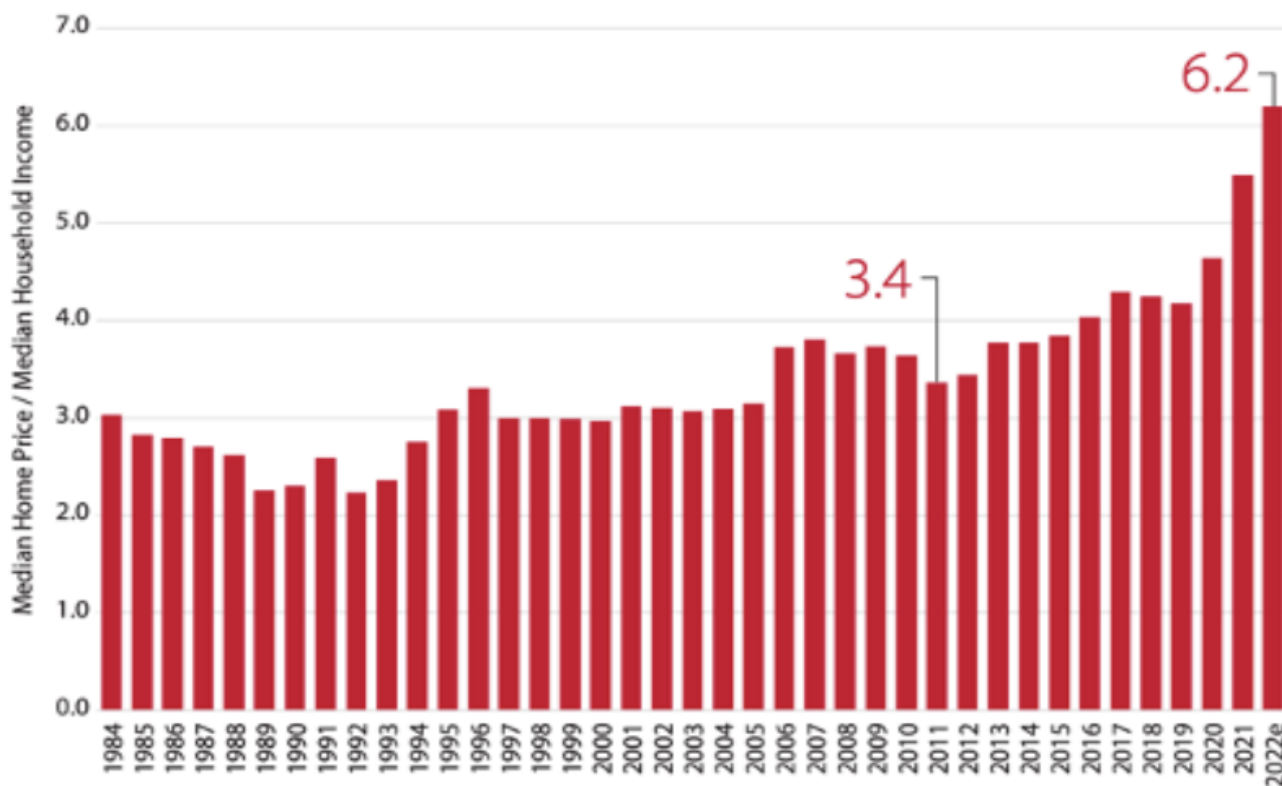
— Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs in Utah
— Zillow Home Value Index (ZHVI) for All Homes Including Single-Family Residences, Condos, and CO-OPs in the United States of America



INCOME RATES ARE NOT INCREASING AS FAST AS HOUSING COSTS

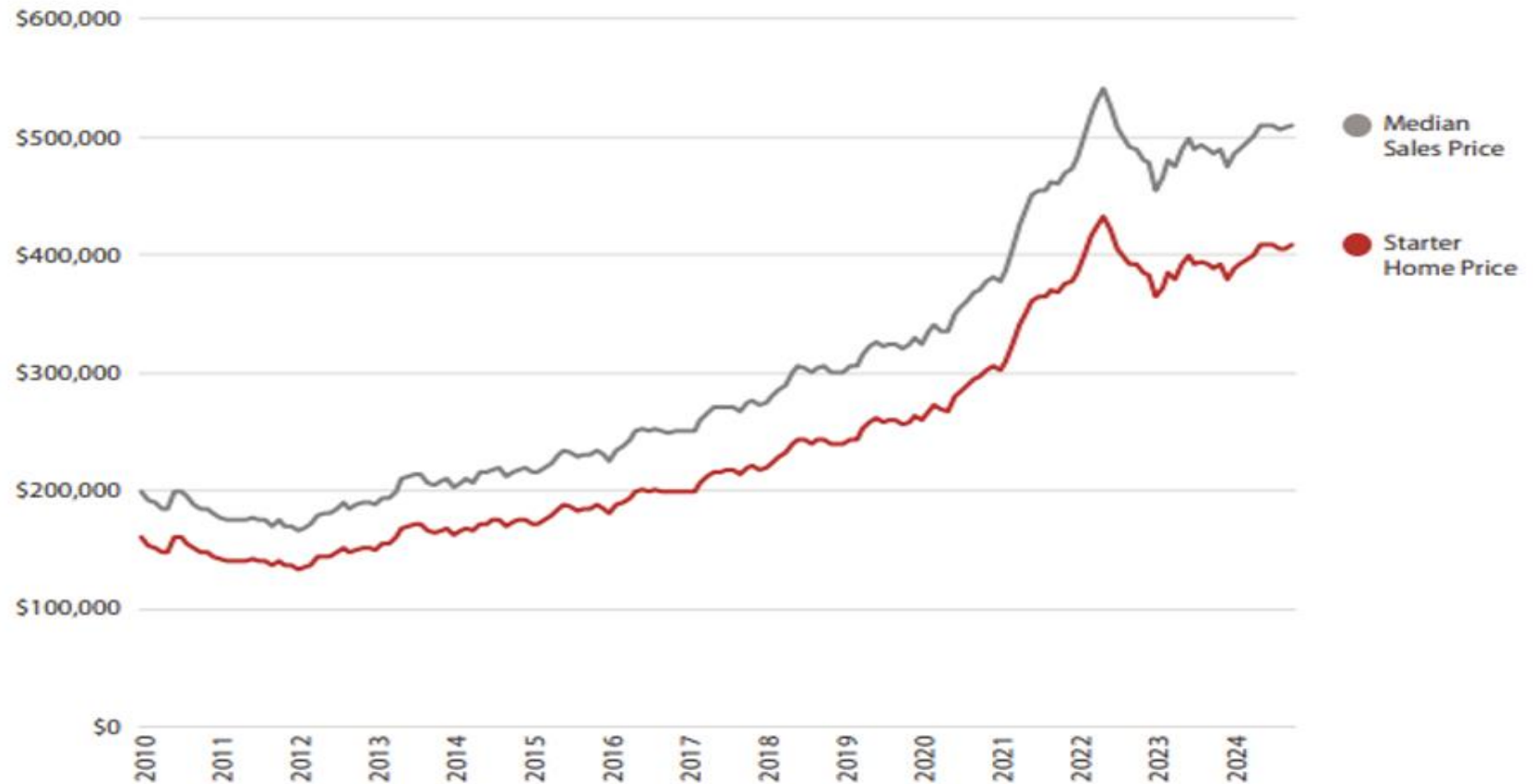
Home Prices Outpacing Income in Utah

RATIO OF UTAH MEDIAN HOME PRICE TO MEDIAN HOUSEHOLD INCOME, 1984–2022



PRICES OF STARTER HOMES CONTINUE TO RISE

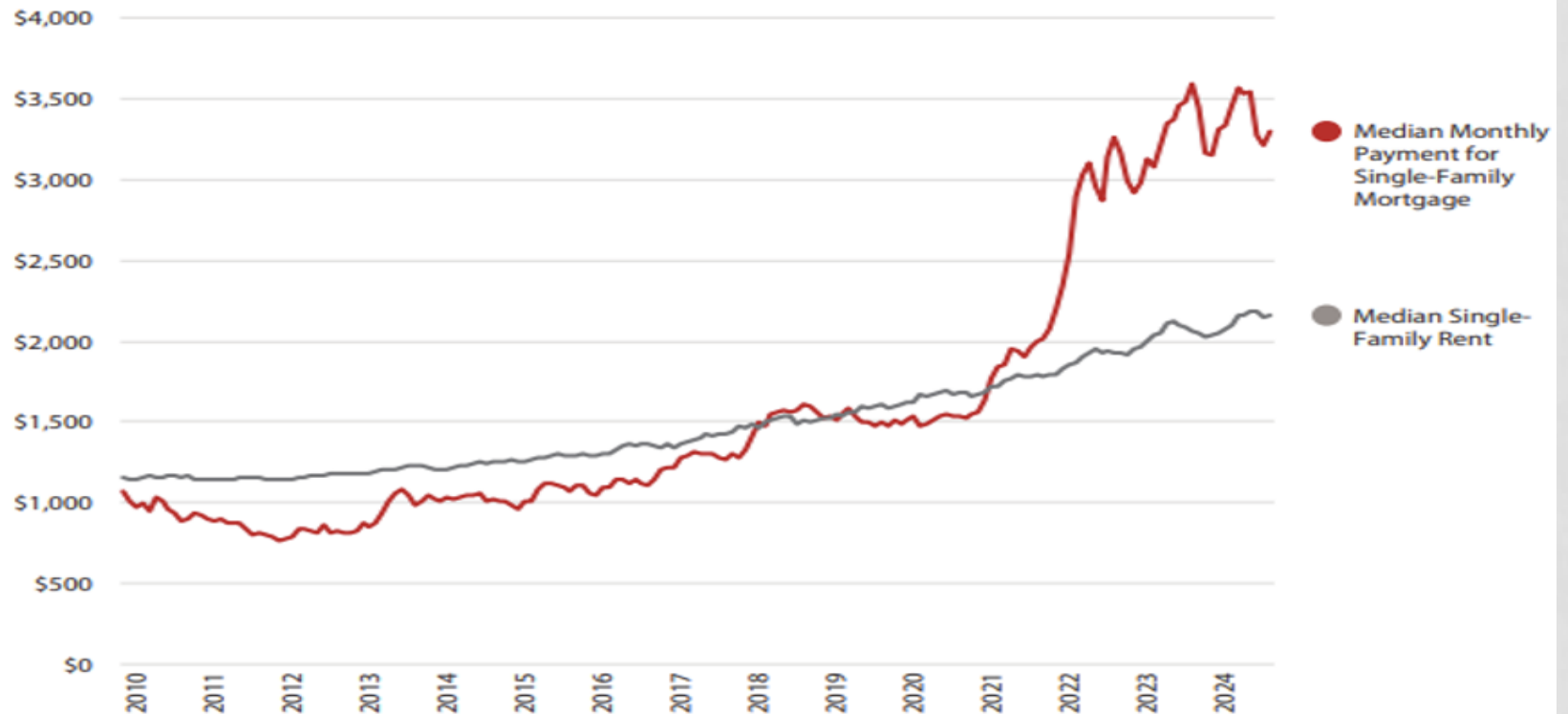
Price of Utah Starter Home, 2010-2024



AS DO AVERAGE MONTHLY MORTGAGE PAYMENTS

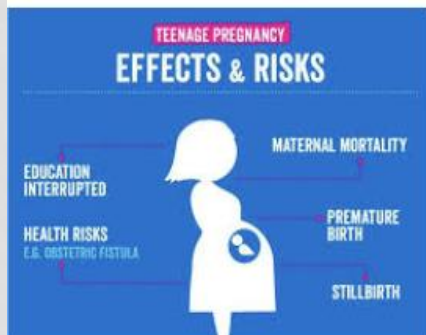
Mortgage madness

Wasatch Front Premium/Discount to Buy a Home vs. Rent, 2010-2024



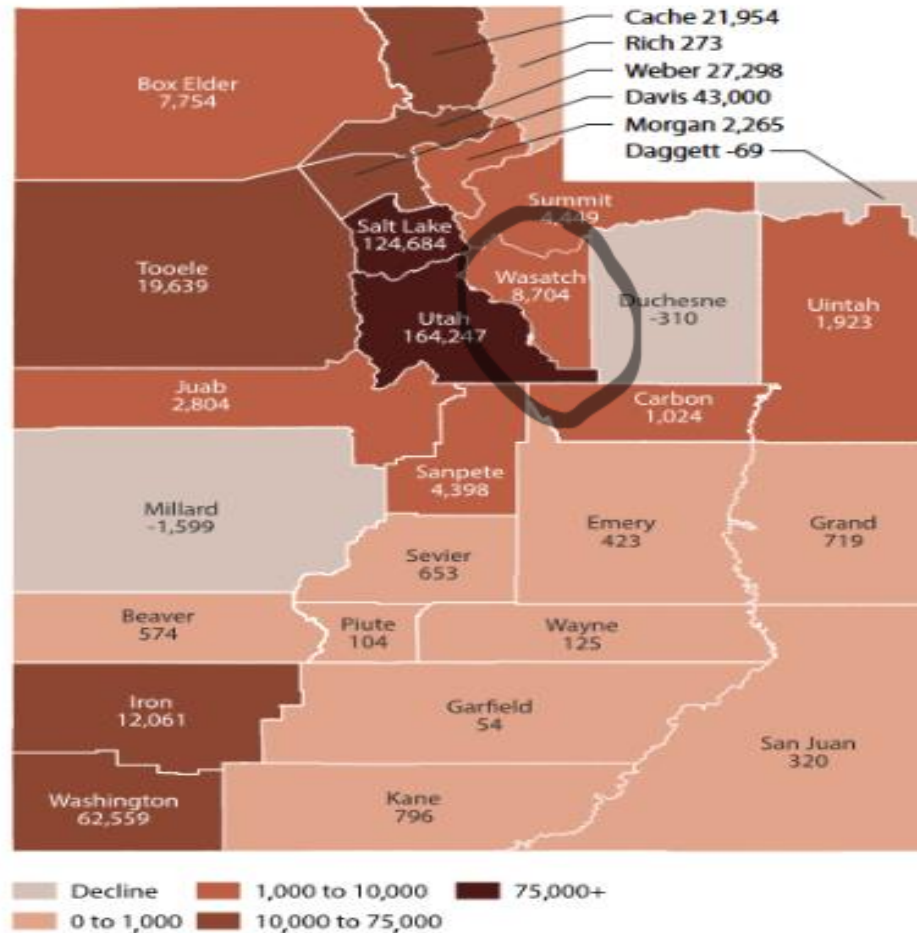
THIS AND NEXT 4 SLIDES ARE FROM STEVE WALDRIP'S MAY, 2025, PRESENTATION AT APA SPRING CONF.

Rising Housing Costs < Housing Stability



CONTINUED GROWTH PROJECTED

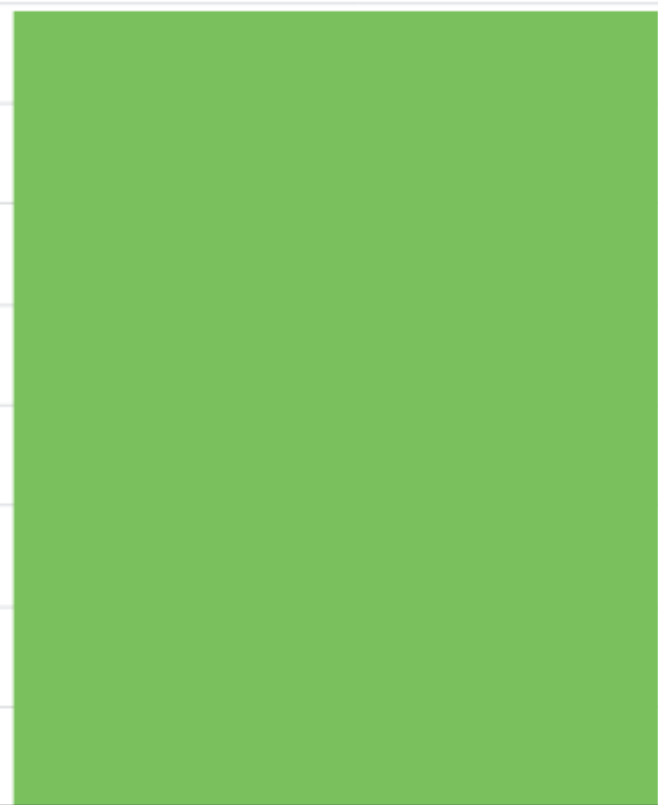
Figure 6: Projected Population Change by County, 2024-2033



Source: Kem C. Gardner Policy Institute

Homeownership: Key to Wealth Building

\$396,200



Homeowners

\$10,400



Renters

POTENTIAL TOOLS TO FACILITATE

1. Overlay zone in specific areas. Base zone would stay the same. In overlay zone, City could consider plans for affordability. If not approved, the underlying zone density would remain.
2. M&I water.
3. Extended payment schedule for permit fees and impact fees rather than paid upfront, with payment tied to occupancy. For example, 10% payment at 10% occupancy.
4. Consider reducing minimum sizes, whether single family or multi family, consider tiny homes and/or tiny home village.
5. Reduce parking requirements. Consider shared parking.
6. Historic structures on larger lots – consider giving density bonus to build behind if preserve historic structure; consider transfer of development rights (TDR) to another lot.
7. Facilitate something that transitions trailer park and keeps affordable housing (overlay zone possibility ?)

LIMITATIONS ON FEDERAL FUNDS

- If goal is to structure affordable housing in Midway to benefit essential workers of Midway and the county, may be limited in use of federal funds due to prohibitions on discrimination.

2025 AFFORDABLE HOUSING INCOME LIMITS - WASATCH COUNTY

No. of Bedrooms AMI	Efficiency 1 Person	1-Bedroom 1.5 Person	2-Bedrooms 2 Person	3-Bedrooms 3 Person	4-Bedrooms 4 Person	5-Bedrooms 4.5 Person	6-Bedrooms 5 Person	7-Bedrooms 6 Person	8-Bedrooms 7 Person	9-Bedrooms 8 Person
120%	114,600	122,760	130,920	147,360	163,680	170,220	176,760	189,840	202,920	216,000
THP*	2,865	3,069	3,273	3,684	4,092	4,255	4,419	4,746	5,073	5,400
Max. Rent**	2,765	2,957	3,148	3,534	3,917	4,068	4,219	4,521	4,823	5,125
Max. Mort. Pmt.***	2,725	2,912	3,098	3,474	3,847	3,993	4,139	4,431	4,723	5,015
Purchase Price	368,300	393,600	418,800	469,600	520,000	539,700	559,500	598,900	638,400	677,900
Down Pmt	36,800	39,400	41,900	47,000	52,000	54,000	56,000	59,900	63,800	67,800
1st Mortgage	331,500	354,200	376,900	422,600	468,000	485,700	503,500	539,000	574,600	610,100
Mortg Pmt	2,233	2,386	2,539	2,847	3,153	3,272	3,392	3,632	3,871	4,110
Taxes	169	181	192	216	239	248	257	275	293	312
Homeowners Ins.	217	232	247	277	307	318	330	353	377	400
PMI	105	112	119	134	148	154	159	171	182	193
Total Pmt	2,725	2,912	3,098	3,474	3,847	3,993	4,139	4,431	4,723	5,015

100%	95,500	102,300	109,100	122,800	136,400	141,850	147,300	158,200	169,100	180,000
THP*	2,387	2,557	2,727	3,070	3,410	3,546	3,682	3,955	4,227	4,500
Max. Rent**	2,287	2,445	2,602	2,920	3,235	3,359	3,482	3,730	3,977	4,225
Max. Mort. Pmt.***	2,247	2,400	2,552	2,860	3,165	3,284	3,402	3,640	3,877	4,115
Purchase Price	303,700	324,300	345,000	386,600	427,800	443,800	459,900	492,000	524,000	556,200
Down Pmt	30,400	32,400	34,500	38,700	42,800	44,400	46,000	49,200	52,400	55,600
1st Mortgage	273,300	291,900	310,500	347,900	385,000	399,400	413,900	442,800	471,600	500,600
Mortg Pmt	1,842	1,967	2,092	2,344	2,594	2,691	2,788	2,983	3,178	3,373
Taxes	140	149	159	178	197	204	211	226	241	256
Homeowners Ins.	179	191	204	228	252	262	271	290	309	328
PMI	87	92	98	110	122	126	131	140	149	159
Total Pmt	2,247	2,400	2,552	2,860	3,165	3,284	3,402	3,640	3,877	4,115

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No. of Bedrooms AMI	Efficiency 1 Person	1-Bedroom 1.5 Person	2 Person	2-Bedrooms 3 Person	4 Person	3-Bedroom 4.5 Person	5 Person	4 Bedrooms 6 Person	7 Person	8 Person
80%	76,400	81,840	87,280	98,240	109,120	113,480	117,840	126,560	135,280	144,000
THP*	1,910	2,046	2,182	2,456	2,728	2,837	2,946	3,164	3,382	3,600
Max. Rent**	1,810	1,934	2,057	2,306	2,553	2,650	2,746	2,939	3,132	3,325
Max. Mort. Pmt.***	1,770	1,889	2,007	2,246	2,483	2,575	2,666	2,849	3,032	3,215
Purchase Price	239,200	255,200	271,300	303,600	335,700	348,000	360,300	385,100	409,800	434,600
Down Pmt	23,900	25,500	27,100	30,400	33,600	34,800	36,000	38,500	41,000	43,500
1st Mortgage	215,300	229,700	244,200	273,200	302,100	313,200	324,300	346,600	368,800	391,100
Mortg Pmt	1,451	1,548	1,645	1,841	2,035	2,110	2,185	2,335	2,485	2,635
Taxes	110	117	125	140	154	160	166	177	188	200
Homeowners Ins.	141	151	160	179	198	205	213	227	242	256
PMI	68	73	77	87	96	99	103	110	117	124
Total Pmt	1,770	1,889	2,007	2,246	2,483	2,575	2,666	2,849	3,032	3,215

60%	57,300	61,380	65,460	73,680	81,840	85,110	88,380	94,920	101,460	108,000
THP*	1,432	1,534	1,636	1,842	2,046	2,127	2,209	2,373	2,536	2,700
Max. Rent**	1,332	1,422	1,511	1,692	1,871	1,940	2,009	2,148	2,286	2,425
Max. Mort. Pmt.***	1,292	1,377	1,461	1,632	1,801	1,865	1,929	2,058	2,186	2,315
Purchase Price	174,700	186,100	197,500	220,600	243,400	252,000	260,800	278,200	295,500	312,900
Down Pmt	17,500	18,600	19,800	22,100	24,300	25,200	26,100	27,800	29,600	31,300
1st Mortgage	157,200	167,400	177,700	198,500	219,100	226,800	234,700	250,400	265,900	281,600
Mortg Pmt	1,059	1,128	1,197	1,338	1,476	1,528	1,581	1,687	1,792	1,897
Taxes	80	86	91	101	112	116	120	128	136	144
Homeowners Ins.	103	110	117	130	144	149	154	164	174	185
PMI	50	53	56	63	69	72	74	79	84	89
Total Pmt	1,292	1,377	1,461	1,632	1,801	1,865	1,929	2,058	2,186	2,315

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No. of Bedrooms AMI	Efficiency 1 Person	1-Bedroom 1.5 Person	2 Person	2-Bedrooms 3 Person	4 Person	3-Bedroom 4.5 Person	5 Person	4 Bedrooms 6 Person	7 Person	8 Person
50%	47,750	51,150	54,550	61,400	68,200	70,925	73,650	79,100	84,550	90,000
THP*	1,193	1,278	1,363	1,535	1,705	1,773	1,841	1,977	2,113	2,250
Max. Rent**	1,093	1,166	1,238	1,385	1,530	1,586	1,641	1,752	1,863	1,975
Max. Mort. Pmt.***	1,053	1,121	1,188	1,325	1,460	1,511	1,561	1,662	1,763	1,865
Purchase Price	142,300	151,500	160,600	179,100	197,300	204,200	211,000	224,700	238,300	252,100
Down Pmt	14,200	15,200	16,100	17,900	19,700	20,400	21,100	22,500	23,800	25,200
1st Mortgage	128,100	136,300	144,500	161,200	177,600	183,800	189,900	202,200	214,500	226,900
Mortg Pmt	863	918	974	1,086	1,197	1,238	1,279	1,362	1,445	1,529
Taxes	65	70	74	82	91	94	97	103	110	116
Homeowners Ins.	84	89	95	106	116	120	124	133	141	149
PMI	41	43	46	51	56	58	60	64	68	72
Total Pmt	1,053	1,121	1,188	1,325	1,460	1,511	1,561	1,662	1,763	1,865

30%	28,650	30,690	32,730	36,840	40,920	42,555	44,190	47,460	50,730	54,000
THP*	716	767	818	921	1,023	1,063	1,104	1,186	1,268	1,350
Max. Rent**	616	655	693	771	848	876	904	961	1,018	1,075
Max. Mort. Pmt.***	576	610	643	711	778	801	824	871	918	965
Purchase Price	77,900	82,300	86,900	96,100	105,100	108,200	111,300	117,800	124,100	130,500
Down Pmt	7,800	8,200	8,700	9,600	10,500	10,800	11,100	11,800	12,400	13,100
1st Mortgage	70,100	74,100	78,200	86,500	94,600	97,400	100,200	105,900	111,700	117,400
Mortg Pmt	472	500	527	583	638	656	675	714	752	791
Taxes	36	38	40	44	48	50	51	54	57	60
Homeowners Ins.	46	49	51	57	62	64	66	70	73	77
PMI	22	23	25	27	30	31	32	34	35	37
Total Pmt	576	610	643	711	778	801	824	871	918	965

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No. of Bedrooms <u>AMI</u>	Efficiency <u>1 Person</u>	1-Bedroom <u>1.5 Person</u>	<u>2 Person</u>	2-Bedrooms <u>3 Person</u>	<u>4 Person</u>	3-Bedroom <u>4.5 Person</u>	<u>5 Person</u>	4 Bedrooms <u>6 Person</u>	<u>7 Person</u>	<u>8 Person</u>
Mo. Rent Utilities	100	113	125	150	175	188	200	225	250	275
Mo. Owner Utilities	140	158	175	210	245	263	280	315	350	385
Prop. Tax Rate @ 55%	1.0027%									
Ins. Rate % of Value	0.7080%									
PMI	0.38%									
Housing Pmts/Income	30.00%									
1st Mortgage Int. Rate	7.125%									
Amortization (yrs.)	30									
Debt Service Constant	8.08%									
Down Payment %	10.00%									

*THP = Total Housing Payment

** Maximum Rent Excludes Utilities Paid by Renter

*** Maximum Mortgage Payment Includes PITI and All Utilities

\$970,800 = Wasatch Co. Conforming Loan Limit

Lowest SF Detached	\$ 600,000	
Down Payment	\$ 60,000	10%
Mortgage	\$ 540,000	

Mortgage Pmt	\$3,638.08	
Taxes	\$ 501.35	
Insurance	\$ 354.00	
PMI	\$ 171.00	
Total Mortgage Pmt	\$4,664.43	
Monthly Gross Inc.	\$15,548.10	
Annual Gross Inc.	\$186,577.20	