

KSL Interview 3-20-17

Lack of affordable housing in Southern Utah. Why are developers not building apartment complexes?

There are several reasons why we are experiencing a shortage of multifamily housing or workforce housing (teachers, police officers, fire fighters, young married couples). Vacancy for rentals is below 1%. Rents continue to increase and there is a definite shortage.

For many developers, they cannot pencil out building multifamily because of several factors. They do not want to build something that they will lose money on.

-Land pricing – limited supply and land owners have a right to sell at market value. Limited supply = increased cost.

-Construction costs continue to rise. No control over material costs – market driven. Labor shortage results in increased wages.

-Impact fees and regulations. For example, the water district impact fee is \$7,417 for a ¾” meter. This cost is the same whether you build a 4,000 square foot home on a lot less than 10,000 square feet or building an individual condo. Build 50 condos at \$7,417 per condo = \$370,000, just for water. Doesn't include impact fees for parks, power, stormwater, safety, transportation, etc.

-Public opposition. When a developer tries to get approval from city council, many residents in surrounding areas will attend opposing the development. What residents don't realize is they are potentially hurting their children and grandchildren from obtaining affordable housing in our area. They will have to move elsewhere to find affordable housing. Many of us started out in apartments. This is a community issue we can all work together to solve.

Possible Solutions

-Municipalities can look into zoning requirements. Designate areas to include multifamily housing.

-Lower impact fees for multifamily housing and single-family housing. Impact fees can range from \$20 to \$30,000 for a home in southern Utah.

-Increase subsidies to offset costs whether local, state and national programs. Rental vouchers, etc.

-Surrounding residents need to consider their children and grandchildren's need for housing before they attend council meetings opposing multi-family developments.

Some relief is in site:

-Greyhawk apartments 244 units

-Riverwalk Village 55 subsidized units

-City View 100 units