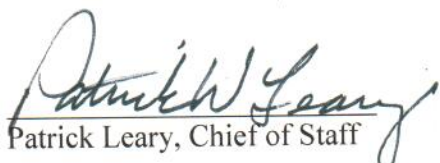




CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: January 11, 2017
Date sent to Council: January 11, 2017

TO: Salt Lake City Council
James Rogers, Chair

DATE: January 11, 2017

FROM: Mike Reberg, Community & Neighborhoods Director 

SUBJECT: 1st and 2nd Quarter Housing Report 2016 (January – June)

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COUNCIL SPONSOR: Exempt

DOCUMENT TYPE: Briefing - Information only

RECOMMENDATION: No action necessary

BACKGROUND/DISCUSSION:

The Administration is forwarding the 1st and 2nd Quarter Housing Report for calendar year 2016. This report reflects the outcomes of the housing efforts in relation to the current housing market conditions. This report is a condensed summary of those conditions and how they relate to this quarter's housing outcomes.

The report will demonstrate the strength of the rental and for sale housing markets, which remained strong this quarter. The strength of the market has led to rising rental rates, sales prices, and an ever-growing need for affordable housing.

This information is used to inform HAND on their various housing strategies and guide policy decisions about programming. Further, the supplemental information in this report reflects the continued investment in housing through the Housing Trust Fund and the many community organizations that the division works with. Notably, there is a significant amount of single family and multi-family units being constructed which is anticipated to increase the vacancy rate in the coming years. However, currently the vacancy rates continue to increase at a dismal pace reflecting the great demand for housing and not enough stock. This reality is magnified for those households seeking affordable units.

EXHIBITS:

2nd Quarter Housing Report

TAKEAWAY

During the first quarter of 2016 there was a significant increase in single family home construction outpacing the rest of the region. Further the average sales price in Salt Lake City continued to rise through second quarter to \$291,400. The HUD Rocky Mountain Report explained the market as follows,

“The greatest increase in single-family homebuilding in the region occurred in Utah, where single-family permitting was up 26 percent from a year ago, to approximately 3,700 homes permitted. In the Provo, Salt Lake City, and Ogden-Clearfield metropolitan areas, permitting of single-family homes increased 46, 26, and 11 percent, to approximately 1,275, 1,250, and 650 homes, respectively”

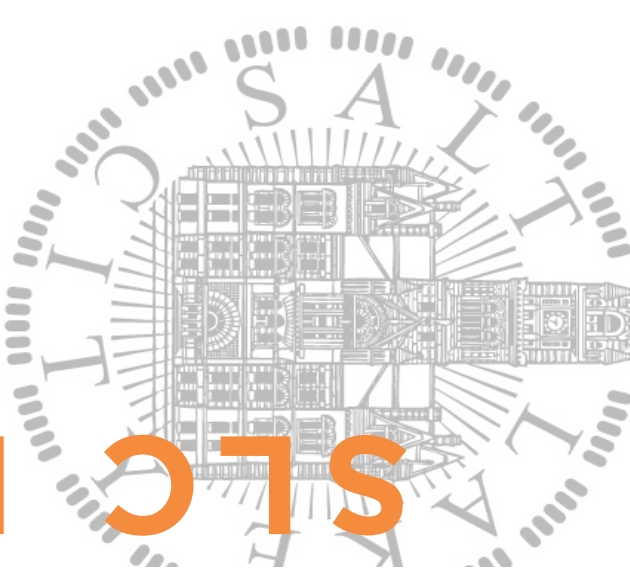
The apartment market also remained tight and the rents increased again this quarter. While vacancy rates are beginning to go up it is a slow and steady process continuing to restrict accessibility to affordable units. This is explained in the HUD Rocky Mountain report,

“In the Salt Lake City metropolitan area, the construction of more than 2,800 new apartments was completed during the past 12 months. Nevertheless, the tight apartment market conditions eased only slightly, to a 4.0-percent vacancy rate in the second quarter of 2016, up from 3.7 percent a year ago (Reis, Inc.).”

HAND also expects to see an increase of affordable units coming into the market throughout the rest of 2016 and the summer of 2017. This construction, while not sufficient to meet the need, will also add increased affordability to Salt Lake City.

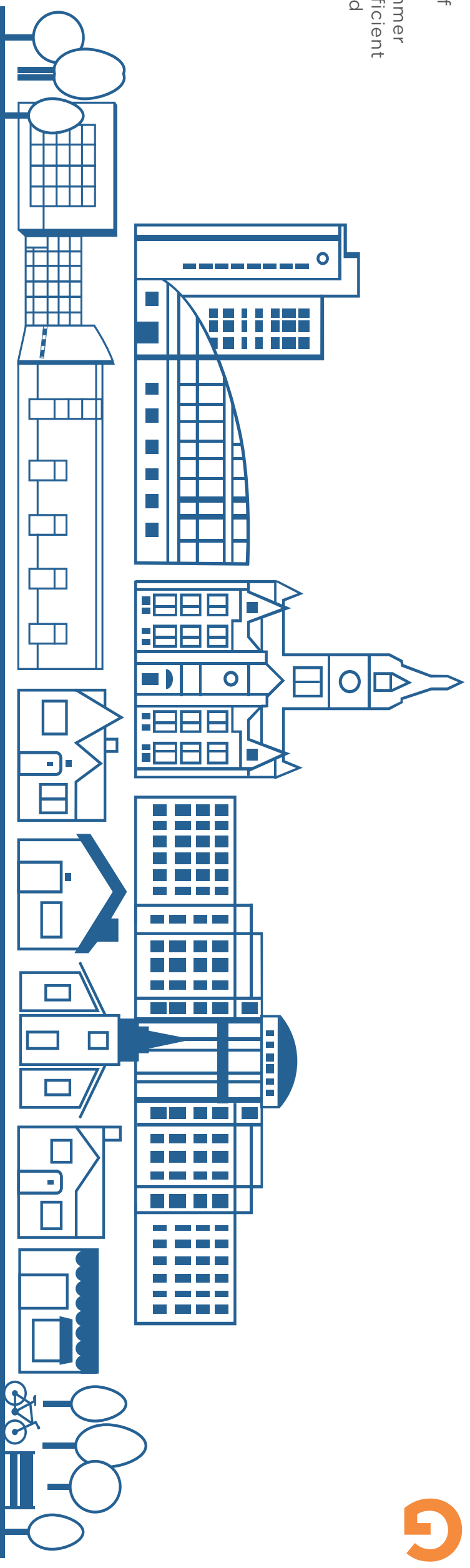
Sincerely,

Michael Akerlow
Director
Housing & Neighborhood
Development Division



SLC HOUSING

Q1 & Q2 HOUSING REPORT



MSA ECONOMIC INDICATORS

	Q1 2015	Q1 2016	Q2 2015	Q2 2016
Unemployment Rate:	3.9%	3.8%	3.6%	3.9%
Rental Vacancy Rate:	3.7%	4.3%	3.7%	4.0%
Average Rent:	855	890	860	893

*Source: HUD Rocky Mountain Housing Market Conditions Reports. Salt Lake MSA is made up of Salt Lake, Tooele, and Summit Counties.

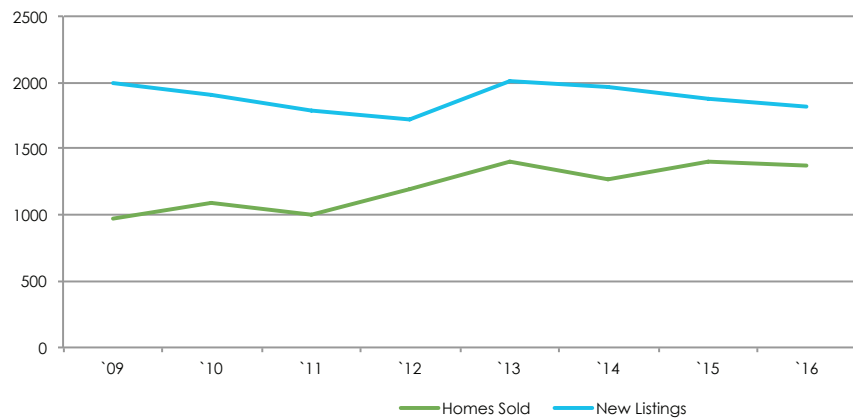
NEW & CLOSED PERMITS

TYPE	ISSUED	YTD ISSUED	CLOSED	CLOSED YTD
Condominium	0	0	6	6
Townhome	0	0	0	0
Single Family	21	21	24	24
Duplex	0	0	2	2
Triplex	0	0	0	0
Fourplex	0	0	4	4
Apartment	1172	1172	444	444
Total	1193	1193	480	480

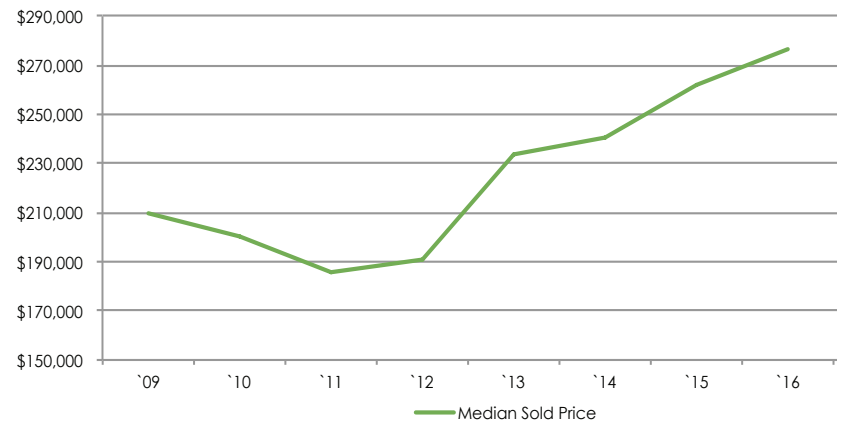
*Note: Issued permits is the number of units permitted this quarter. Closed is the number of units to receive final inspection and be fit for occupancy this quarter. Closed in most instances does not occur in the same quarter as issuance. This is a combination of Q1 and Q2 2016.

MARKET INDICATORS

Q2 HOMES SOLD/NEW LISTING

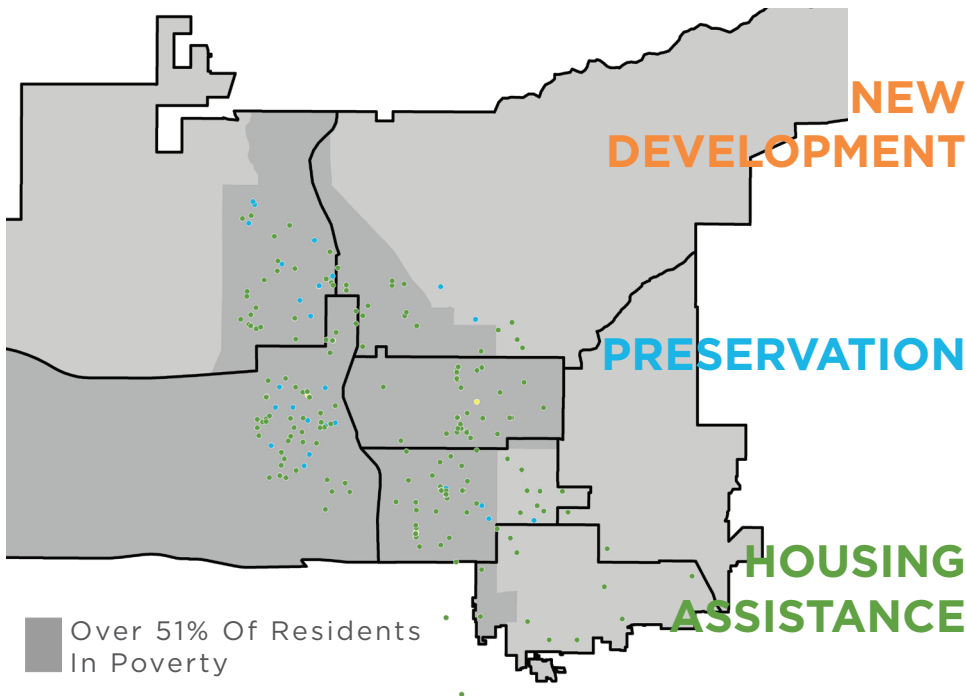


Q2 MEDIAN SOLD PRICE



NEIGHBORHOOD IMPACT

*Note: The points on the map and the results may be comprised of units funded/supported by the following: ASSIST, Community Development Corporation, Salt Lake Community Action Program, Salt Lake City Housing and Neighborhood Development, NeighborWorks Salt Lake, and The Road Home.



HAND provided funding for two multi-family developments: First Step House & Ball Park Apartments. In addition, HAND completed the Emery House and Passive Solar affordable single family home.

557

HAND financed 35 loans or grants to preserve existing housing stock while partners increased home accessibility in 81 homes.

630

The Road Home and SLCAP assisted 58 project/tenant-based rental assistance units, while HAND financed one new home mortgage.

676

CITY INVESTMENT

Q1	494,888
Q2	492,110
YTD TOTAL	986,998

*Note: The City Investment includes all housing assistance dollars for the quarter and is made up of Federal Grants, the Wells Fargo Neighborhood Lift Grants and Housing Trust Fund (HTF dollars are only counted when the actual units are completed not when the funding is approved). The number of units are units receiving assistance for the first time this quarter.

HOUSING TRUST FUND

APPLICATIONS IN PROGRESS AS OF JUNE 30, 2016

The Community Foundation of Utah - Low Wage Worker Program	\$500,000
The Summit Group - North Temple Flats	\$1,000,000

LOANS FUNDED DURING Q1 - Q2

HAND & The Road Home - "House 20" Effort	\$128,000
Point Blank Capital Partners - TenFifteen Apartments	\$380,000

HOUSING PROGRESS REPORT

TOTAL FUNDED: \$508,000

TYPE	Q1 2016	Q2 2016	MULTI-YEAR AGGREGATE JULY 2014 - JUNE 2016
Multi-Family Rental Units	162	63	556
Permanent Supportive Housing	0	0	0
Home Ownership	0	1	1
TOTAL: NEW DEVELOPMENT	162	64	557
Multi-Family Acquisition & Rehab Loans	0	0	127
Single Family Rehab Loans	17	19	155
Emergency Home Repair / Accessibility Grants	81	75	348
TOTAL: PRESERVATION	98	94	630
Low-Interest Loans to Homebuyers	1	1	34
Down Payment Assistance Grants	7	7	129
Project/Tenant-Based Rental Assistance	60	51	513
TOTAL: HOUSING ASSISTANCE	68	59	676
TOTAL AFFORDABLE UNITS:	328	217	1863