

Potential Barriers to Affordable Housing

Zoning and other land use regulations at the local level may inhibit the provision of a variety of affordable housing options. However, such regulations are not the only factors affecting housing prices. A multitude of factors and forces contribute to housing price and availability, including labor and material costs, availability of financing for buyers and developers, land values, changes in population, demographics, migration, and other local economic factors such as unemployment rates and income. Consumer preferences and expectations related to housing size, quality, and amenities, as well as federal or state priorities and corresponding policies may also contribute to the availability of specific types of housing.

Because there are a number of variables contributing to housing cost, it is important to recognize that the absence of regulation will not necessarily create housing affordability. In places like Moab, where production costs and housing demand are both high, a townhouse on a small lot or an apartment may still be out of reach for a working family. A multitude of factors contribute to housing price and availability, thus a variety of programmatic and financing mechanisms will also need to be employed to truly promote affordable housing development.

It is important to note that land use regulations do not exclusively produce costs and barriers: most regulations were created for the public good and in order to maintain a high standard of development. Whereas reasonable regulations can ensure the health and safety of residents of a community, excessive regulation may artificially elevate housing prices without an equal increase in benefits.

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Land Supply

There are several regulations that may impact the availability of land that is available for residential development. The most apparent way in which land supply for residential development is limited is the failure to zone enough land to accommodate estimated population growth. Commercial or industrial uses, and even low-impact, low-density residential uses may be preferred due to their ability to produce revenue while requiring minimum amounts of services in return. Land zoned for medium and high density residential development may be limited, though demand for high density housing types may be great.

Though a parcel of land may be zoned for residential development, it does not follow that the land can be developed or will be immediately used for that purpose. Often, residentially zoned land is engaged in another productive use which the owner may not give up for years or possibly decades. The land may also have certain environmental constraints that would preclude residential development. Additional barriers may exist within the zoning ordinance that may act to discourage development of the land to its fullest potential, or to the density for which it is zoned. Therefore, it is possible for a zoning map to appear to provide adequate opportunities for residential development when in reality limited or no immediate opportunities exist.

Land Use Regulations

Minimum setbacks, including front, side, and rear setback requirements may contribute to larger lot sizes, and may act as a kind of secondary density limit. Side yards provide functional and emergency access to backyards, and front yards act as a transitional space to separate private from public space. However, in some cases front and side yard setback requirements are in excess of what is needed to provide access and/or privacy. Height restrictions, street widths, and parking requirements can all lead to low land use efficiencies and, ultimately, high land costs. The City of Moab and Grand County have taken steps to remove barriers to affordable housing in their respective land use codes. Examples include: streamlining the development review process, reducing buffer requirements between subdivisions, removing open space requirements, expanding accessory dwelling unit opportunities, decreasing minimum lot and building sizes, and improving code enforcement.

Planning and Design

While land use regulations govern development at the community and site-specific scales, developers and architects retain a tremendous amount of discretion in how they utilize available land and establish building footprints. Like many other parts of the United States, the Moab Area is dominated by single family detached dwellings situated on large lots. The development community can effect positive change by shifting its focus from a sprawling development typology to one that is more compact, efficient, and affordable. Smaller lots, attached dwellings, and more modest living spaces are cheaper to build and maintain. Compact

development also leads to reduced transportation costs for residents, and lower infrastructure costs for developers and local governments.

Infrastructure and Development Standards

Many jurisdictions use uniform development requirements, regardless of the type or density of the development. Standards may require excessively wide streets, which are often thought to be necessary for emergency vehicle access. However, wider streets may cost more to build and maintain, and may also increase the volume of storm water, thus necessitating more significant storm water management systems. They will also require pipes and other underground utilities to extend for longer distances at greater expense. Where wider streets are required, the costs will inevitably be passed on to the buyer.

The amount of land available for development may be limited by sewer and water access. Where no water or sewer service is available, larger lot sizes are typically required in order to provide enough space for a septic tank, drain field, and adequate separation distance from an onsite water system. This will ultimately result in fewer housing units and greater land expense for the buyer. Where a developer is required to install public or shared sewer and water, the price of this infrastructure is typically passed on to the buyer. In some cases, development is not possible or must be delayed due to insufficient capacity at local waste treatment facilities.

Sidewalks can provide safe access for pedestrians to a variety of locations, increasing the likelihood that residents will walk rather than drive to nearby destinations. Traditional sidewalks are a vital element of any downtown or walkable community. However, they are unfortunately expensive for developers to install and for homeowners to maintain and replace. In highly rural settings with minimum foot traffic and few commercial or recreational destinations within walking distance, the provision of sidewalks on both sides of the street may increase costs without an equal increase in benefits.

Parking Standards

Moab requires a per-unit parking requirement that is in excess of what a typical household would be expected to use, or may impose minimum stall widths on all parking spaces which are much larger than necessary for most vehicles. Because surface parking is a land intensive use, parking requirements will probably have the most significant impact on housing prices in places where land values are very high. Excessive parking requirements will increase impervious surface area, which may increase the need for storm water management, which in turn, further increases the costs of development. Parking requirements may also vary depending on housing type. Often townhouses, apartments, and other multi-family dwelling types, which are typically some of the most affordable housing options within a community, are required to provide as much, or even more parking as single-family detached housing units. Such regulation runs counter to national trends, which indicate that low-income households on average have fewer cars and make fewer trips than do moderate- and high-income households.

Landscaping, Buffering, and Parkland and Open Space Dedication

Buffering may be required in inappropriate or unnecessary locations, such as between different residential uses or housing types. In some cases, certain residential uses are singled out with buffering requirements while others are not. Required buffers may be exceptionally wide, or may require excessive amounts and types of plantings. Jurisdictions may also require significant parkland or open space dedication in excess of what is necessary for the community or the development, or in a manner that is not compliant with the Moab's Planning Code.

Fees

Review or impact fees are typically one-time fees applicable to new construction. According to HUD, flat impact fees are often applied uniformly across a municipality, regardless of housing types, value, or realistic estimates of impact. This method has the effect of placing a greater share of the burden on smaller housing units, even though these housing units will generally create less of an impact than do larger housing units. HUD describes this as a "regressive effect; that is, flat fees fall disproportionately on those with lower incomes than with higher ones.

Funding

Funding a project is often one of the most difficult aspects of affordable housing. Development teams work tirelessly to make projects "pencil out," and rely heavily on outside funding from grants, loans, direct and indirect subsidies, and private donors to get a development to the point of breaking ground. Grand County and the City of Moab provide incentives to developers in the form of density bonuses, impact fee waivers, and relaxed site controls, but lower returns on investment (ROIs) associated with below market rate housing remains a commonly cited impediment. Many affordable housing experts suggest that direct financial support from public funds needs to play a larger role in facilitating the development of new units. Indeed, in many instances, affordable housing will not be constructed without it.

Other Barriers

Overall, many of these potential barriers represent a lack of flexibility in regulations. Overly prescriptive regulations, which may limit the ability of the developer to work with unique site limitations, respond to local preferences and demand, or select the most cost-effective development plan, may be partially responsible for increasingly unaffordable housing prices. Some regulations may not produce the types of housing or communities that people want, or that local residents would hope to see in their communities.

In addition to traditional land use and zoning barriers, other regulations may also have an impact on the availability of affordable housing. Availability and ease of transportation is another factor that may contribute to cost of living. In places like Moab where public transportation is not available, households are essentially forced to rely on private transportation. While private transportation is convenient, the cost of purchasing, insuring,

maintaining, and fueling a private vehicle may quickly place a significant strain on household finances. In remote locations, costs may also be augmented by the long distances that are necessary to travel in order to reach work, school, daycare, the grocery store, or other important destinations. The lack of public transportation in less urbanized areas may thus impact the ability of a household to afford decent housing.