

APPENDIX A

Moderate Income Housing

Provo's Current and Future Housing Conditions

Background

Moderate income households are considered by the State of Utah to be those making less 80% of the area median income (AMI). AMI is determined by the county in which the city is located. Other targeted income groups are defined as those making less than 50% and 30% of AMI. According to U.S. Department of Housing and Urban Development (HUD), the affordable monthly housing payment for either mortgage or rent should be no more than 30% of gross monthly income (GMI) and should include utilities and housing costs such as mortgage, property taxes, and hazard insurance. To calculate affordability in relation to household size, HUD estimates median family income (MFI) annually for each metropolitan area and non-metropolitan county.

The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes.

It is not clearly stated in Utah Code whether those of moderate income must be able to purchase a home, so the allowance is applied to both rental rates and mortgages. Affordable housing is considered to be any housing options that accommodate the targeted income groups and meet the payment requirements.

Section 10-9a-403(41) of the Utah Code mandates that each city shall review biennially a moderate-income housing plan. Plans shall include:

- Efforts made by the municipality to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing;
- Actions taken by the municipality to encourage preservation of existing moderate-income housing and development of new moderate-income housing;
- Progress made within the city to provide moderate income housing, demonstrated by analyzing data on:
 - The number of housing units in the municipality at varying affordability thresholds;
 - The number of housing units in the municipality that are subsidized by the municipality, the state, or the federal government; and
 - The number of housing units in the municipality that are deed-restricted;
- Efforts made by the City to coordinate moderate income housing plans and actions with neighboring municipalities or associations of governments;

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- All efforts made by the municipality to utilize a moderate-income housing set-aside from a redevelopment agency, a community development agency, or an economic development agency;
- Money expended by the municipality to pay or waive construction-related fees required by the municipality; and
- Programs of the Utah Housing Corporation that were utilized by the municipality.

Current Population and Demographics

Population

The 2020 population of Provo is 116,616 people. Since 2010, Provo's population has grown by 5.8%, or more than 6,400 residents. Projections from the Mountainland Association of Governments (MAG), predict that Provo's population will increase by 33.3% over the next 20 years adding almost 38,800 people and reaching a population of 155,397 people by 2040. Provo's anticipated population growth has significant implications for the City's housing and economic climate, necessitating that suitable employment opportunities and housing be available for new residents.

Median Household Income

Provo's Median Household Income (MHI) is \$53,864.¹ This is considerably lower than both the Median Household Income of the County (\$79,545) and State (\$75,780). Provo's Median Family Income (MFI) is currently \$58,690, also considerably lower than both the Median Family income of the County (\$86,636) and the State (\$86,152).

Median Family Income is commonly higher than Median Household Income because of differences between the composition of households and families. Family households are generally larger with a minimum of at least two people and have more members in their prime earning years. In contrast, a number of households consist of single-person households. In Provo's case, non-family households include many students with a limited or even no income.

Area Median Income

The area median income (AMI) is the midpoint of a region's income distribution - half of the households in the region earn more and half earn less. AMI is important because each year the Department of Housing and Urban Development (HUD) calculates the median income for every metropolitan region in the country and this statistic is used to determine whether families are eligible for certain affordable housing programs.

HUD focuses on the entire region, not just the city, because families searching for housing are likely to look beyond the city itself to find a place to live. AMI is

¹ U.S. Census Bureau, ACS 5-Year Estimates, 2019.

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typically distinguished between three types of households. Households earning less than 80% of the AMI are considered low-income households by HUD. Very low-income households earn less than 50% of the AMI and extremely low-income households earn less than 30% of the AMI.

Area Median Income (also referred to as Area Median Family Income), or AMI, in Provo is \$83,700 per year.² The U.S. Department of Housing and Urban Development (HUD) uses this number as baseline to calculate categories of affordability. These categories include Extremely Low Income, (30% of AMI), Low Income (50% of AMI), and Moderate Income (80% of AMI). While these numbers are often used to determine eligibility for certain government sponsored housing assistance programs, they can also be used to calculate a household's projected expenditures on rent and/or mortgage payments.

Table 10 (page 75) illustrates the approximate distribution of households in Provo by AMI threshold. Because AMI thresholds established by HUD do not exactly match the distribution of households by income bracket as recorded by the U.S. Census Bureau, the estimated number of households within each income level are matched as closely as possible with their corresponding income bracket. However, because it is not an exact match by census income bracket the number of households within each AMI threshold should be considered an approximation.

The distribution of Households within Table 1 (page 76) is well below the Provo-Orem MSA's area median income, with approximately 70.7% of households falling below the 100% AMI threshold. This has implications for housing within Provo and can be interpreted to mean that Provo has a significant need for both affordable and moderately priced housing options. The distribution of households below AMI can also be interpreted to mean that Provo is likely not attracting higher AMI households, potentially because of lack of suitable housing or lack of suitable employment. The inability to attract and retain higher income households in Provo may have adverse effects on economic development and the economic composition of the city.

Using HUD's defined AMI for Utah County, we can calculate an affordable monthly allowance for households making 30% to 120% of the AMI. This monthly allowance can be used to gauge affordable monthly rent and mortgage payment levels for households at different income levels. For example, a family of four living in Provo at the median income could afford \$2,093 per month for housing (Table 2).

To translate these affordability levels into home values, we assume mortgage rates of 3%, 4% and 5%, with a 30-year term, current property tax rates,

² Provo-Orem, UT MSA Median Family Income Estimate, U.S. Department of Housing and Urban Development, 2021.

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Table 1: Approximate Distribution of Households by HUD Defined AMI Thresholds

INCOME LEVEL	INCOME CLASSIFICATION	AMI THRESHOLD	ESTIMATED HOUSEHOLDS	PERCENTAGE
<30% AMI	Extremely Low Income	\$26,500	7649	22.2%
>30% to <50% AMI	Low Income	\$26,500 - \$41,850	8751	25.4%
>50% to < 80% AMI	Moderate Income	\$41,850 - \$66,950	3376	9.8%
>80% to <100% AMI	N/A	\$66,950 - \$83,700	4591	13.3%
>100% to <120%AMU	N/A	\$83,700 - \$100,440	3644	10.6%
>120% AMI	N/A	>\$100,400	6443	18.7%

Source: American Community Survey, 2019.

Table 2: Area Median Income (AMI) for Provo-Orem MSA

IN COME CATEGORY	PERSONS IN HOUSEHOLD							
	1	2	3	4	5	6	7	8
Extremely Low Income (30%)	\$ 440	\$ 503	\$ 565	\$ 663	\$ 776	\$ 890	\$ 1,003	\$ 1,117
Very Low Income (50%)	\$ 733	\$ 838	\$ 943	\$ 1,046	\$ 1,130	\$ 1,214	\$ 1,298	\$ 1,381
Low Income (80%)	\$ 1,173	\$ 1,340	\$ 1,508	\$ 1,674	\$ 1,809	\$ 1,943	\$ 2,076	\$ 2,210
Median Family Income (100%)	\$ 1,465	\$ 1,675	\$ 1,885	\$ 2,093	\$ 2,260	\$ 2,428	\$ 2,595	\$ 2,763
Above Median Income (120%)	\$ 1,758	\$ 2,010	\$ 2,262	\$ 2,511	\$ 2,712	\$ 2,913	\$ 3,114	\$ 3,315

Source: American Community Survey, 2019.

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insurance costs, a 10% down payment, and a monthly utility expenditure of \$225 per month. The table below lists the range of home prices that are attainable at varying AMI thresholds and mortgage rates. For example, a family of four living in Provo at the median income would need an average income of \$83,700 to afford a home.

Interest rates will have a significant impact on home price ranges and should be considered as the city plans for future growth. Rates are currently at record lows but will likely begin to rise as the economy continues to recover from the COVID-19 pandemic. The city should monitor interest rate increases over the coming years to ensure that rising rates are not adversely impacting Provo residents.

To calculate affordability levels into price appropriate rental rates, it was assumed that households would pay rental costs no larger than 30% of their monthly income and that rent would be paid on a monthly basis. Table 4 (PAGE 78) illustrates rental price ranges that are attainable to households at the varying AMI thresholds.

Current Housing Stock

Single and multi-family housing ³

Based on the 2019 ACS five-year estimates, Provo has a total of 35,107 housing units. In the following table, we break down these units into three categories: single-family units, multi-family

units and mobile homes. More than half (52%) of Provo housing stock is classified as single-family homes, 46% is classified as multi-family housing, and 2% is classified as mobile homes. A detailed definition of housing by classification can be found in the appendix.

Single family homes are defined by the U.S. census bureau as “fully detached, semi-detached, semi-attached, side-by-side, row houses, and townhouses.” At 52%, or 18,066 units, just over half of Provo’s total housing stock is comprised of single-family homes. This is significantly lower than the county and state, in which single-family homes comprise 75% of all housing.

Multi-family homes are defined by the U.S. census bureau as “Residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.).” At 46%, or 16,499 units, Provo has

³ U.S. Census Bureau, ACS 5-Year Estimates, 2019.

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Table 3: Attainable Home Price Ranges by AMI Categories

HOUSEHOLD INCOME RANGE			HOME PRICE RANGE FOR A FAMILY OF FOUR					
			3% Mortgage		4% Mortgage		5% Mortgage	
	Income Range -Low	Income Range - High	Low	High	Low	High	Low	High
<30% of AMI	\$ -	\$ 26,500	\$ -	\$ 80,680	\$ -	\$ 71,248	\$ -	\$ 63,364
30% to 50% of AMI	\$ 26,500	\$ 41,850	\$ 80,680	\$ 164,938	\$ 71,248	\$ 145,657	\$ 63,364	\$ 129,538
50% to 80% of AMI	\$ 41,850	\$ 66,950	\$ 164,938	\$ 310,006	\$ 145,657	\$ 273,765	\$ 129,538	\$ 243,470
80% to 100% of AMI	\$ 66,950	\$ 83,700	\$ 310,006	\$ 399,649	\$ 273,765	\$ 352,929	\$ 243,470	\$ 313,873
100% to 120% of AMI	\$ 83,700	\$ 100,440	\$ 399,649	\$ 489,078	\$ 352,929	\$ 431,903	\$ 313,873	\$ 384,107

Source: American Community Survey, 2019.

Table 4: Attainable Rental Rate Ranges by AMI Categories

HOUSEHOLD INCOME RANGE			RENTAL PRICE RANGE	
	Income Range -Low	Income Range - High	Low	High
<30% of AMI	\$ -	\$ 26,500	\$ -	\$ 663
30% to 50% of AMI	\$ 26,500	\$ 41,850	\$ 663	\$ 1,046
50% to 80% of AMI	\$ 41,850	\$ 66,950	\$ 1,046	\$ 1,674
80% to 100% of AMI	\$ 66,950	\$ 83,700	\$ 1,674	\$ 2,093
100% to 120% of AMI	\$ 83,700	\$ 100,440	\$ 2,093	\$ 2,511

Source: American Community Survey, 2019.

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significantly more multifamily units as proportion of total housing than both the County and State. The high proportion and sustained demand for multi-family units is likely due in part to Provo's younger population of students and young families desire for more affordable housing options.

Mobile homes⁴

Currently, Provo allows HUD approved mobile homes on any single-family dwelling lot within the city. Additionally, Provo also has a specific zoning designation that allows for the creation of mobile home parks and even subdivisions for only mobile homes. With 542 units, or 2% of all housing stock, Provo has a higher proportion of mobile homes than both the County, but a lower proportion than the state (Table 5).

Total occupied units⁵

Out of the Provo's total unit count of 35,107 units, 94.2%, or 33,061 units are occupied. This is lower than the county's occupancy rate of 95.3% but higher than the state's occupancy rate of 89.9%. Provo's high occupancy rate can be interpreted to mean that housing units are being absorbed by the market as they become vacant or are built.

Housing tenancy and occupancy breakdown⁶

Provo has a drastically lower proportion of owner-occupied units than both the county and state (Table 6). Based on data from 2019 ACS 5-Year estimates, 39.4% of Provo's housing units are owner occupied, significantly lower than owner occupied units at the county (67.6%), and state level (70.2%). Inversely, Provo has a higher renter population than both the county and the state, likely due to the high number of students living within the city. As of 2020, 60.4% of Provo's housing units are renter occupied, substantially higher than renter occupied units at the county (32.4%) and state level (29.8%).

Housing units by number of bedrooms⁷

Like price-appropriate housing, the number of available bedrooms within an area's housing stock is also critically important. At 66%, Provo has more one-, two- and three-bedroom units than both the County (49.4%) and State (55.8%), likely because of its large student population. And yet the city has fewer four- and five-bedroom units, just 30% of Provo's housing stock. With too few large units available, larger households may be forced to look elsewhere or to accept sub-optimal housing.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

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Table 5: Provo Existing Housing Inventory by Type

HOUSING TYPE	PROVO	UTAH COUNTY	UTAH
Total Single-family	52%	75%	75%
Detached	42%	66%	68%
Attached	10%	9%	6%
Multi-family Units	46%	24%	22%
Mobile Homes	2%	1%	3%

Source: American Community Survey, 2019

Table 6: Provo Housing Tenancy and Occupancy

HOUSING TENURE	PROVO	UTAH COUNTY	UTAH
Owner Occupied	39.4%	67.6%	70.2%
Renter Occupied	60.4%	32.4%	29.8%
Average household size of owner-occupied unit	3.43	3.78	3.26

Table 7: Housing Inventory by Number of Bedrooms

NUMBER OF BEDROOMS	PROVO	UTAH COUNTY	UTAH
0 Bedrooms	3.5%	1.4%	1.9%
1 Bedroom	11.3%	4.7%	7.1%
2 Bedrooms	28.1%	16.8%	19.4%
3 Bedrooms	26.8%	27.9%	29.3%
4 Bedrooms	17.4%	21.5%	22.1%
5 or More Bedrooms	12.9%	27.6%	20.2%

Source: American Community Survey, 2019.

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While Provo has more one-, two- and three-bedroom units, the city has less than both the county and state with regards to four- and five-bedroom dwelling units. In total, 30.3% of Provo's dwelling units consist of 4- and 5-bedroom units, while 4- and 5-bedroom units make up 49.1 % of the county's housing stock and 42.3% of the state's housing stock. The lack of larger units can make finding suitable housing difficult for larger households, sometimes forcing them to look outside of the community or accept sub optimal housing in lieu of size.

Housing units by age⁸

Provo's housing stock is mostly older, with 75% of all housing units having been built between 1960 and 2009 (Table 8). The age of housing units within Provo is similar to that of the county and state, where the majority of housing units were also built between 1960 and 2009. In contrast to the county and state, however, Provo has seen minimal new construction of units since 2010, with only 4.6% of units developed in the past 11 years. Both the County and State have state have seen a larger number of units developed recently, with 14.2% of units in the County and 9.7% of units in state developed within the past 11 years.

As a result of Provo's aging housing stock, units within the city may require a greater amount of reoccurring maintenance and upkeep, generally placing a greater financial burden on the owner of the property.

Median sale value and affordability⁹

Home sale prices in Provo have rapidly increased over the past several years. Based on data compiled in January and February 2021, the median sales price for a home in Provo is \$449,000, which is nearly twice the affordable threshold of \$273,765 (assuming a 4% mortgage interest rate) for a family of four. Even at 120% of the area median income, that same family of four could not comfortably afford that home price. Instead, this family might be forced to live outside of Provo or settle for sub-optimal housing within the city. The same applies to current residents looking to change location within Provo or to increase or decrease their home size.

Rapidly increasing home values can also have negative effects on resident's ability to pay property taxes on their homes. In cases where residents have paid off their homes and/or are living on a fixed income, increases to property taxes can sometimes create financial burdens and situations in which they cannot afford the taxes on their homes.

Table 9 (page 83) illustrates the distribution of sale value for Provo's owner-occupied housing units. This data is based off of housing sales recorded in Provo during January and February of 2021. Housing units valued between \$300,000 - \$400,000 and \$400,000 - \$500,000 are most prevalent in Provo at 29.4% and

⁸ Ibid.

⁹ Sales Recorded in Utah County during January & February of 2021.

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Table 8: Housing Inventory by Year Built

HOUSING TYPE	PROVO	UTAH COUNTY	UTAH
Built 2014 or later	2.3%	8.1%	4.9%
Built 2010 to 2013	2.3%	6.1%	4.8%
Built 2000 to 2009	11.8%	26.0%	20.2%
Built 1990 to 1999	21.1%	19.3%	17.5%
Built 1980 to 1989	14.3%	9.3%	12.4%
Built 1970 to 1979	17.7%	13.6%	16.0%
Built 1960 to 1969	10.4%	5.1%	7.0%
Built 1950 to 1959	7.6%	5.4%	6.9%
Built 1940 to 1949	5.1%	3.0%	3.4%
Built 1939 or earlier	7.3%	4.3%	7.0%

Source: American Community Survey, 2019.

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29.2% of all sales, respectfully. In total, only 2.8% of all units sold were at or below the affordability threshold of \$273,765 for a family of four.

Housing Supply & Availability for Targeted Income Groups

Currently, an estimated 23,153 households out of Provo's 34,454 households fall within targeted income groups for affordable and moderate-income housing as defined by HUD's 2020 area AMI levels. Based off of sales data compiled during January and February of 2021, only 5.9% of houses sold were in the affordability range of households making 80% of AMI, while 0.6% of houses sold were in the affordability range of households making 50% of AMI. No houses sold during January and February of 2021 were in the affordability range of households making 30% of AMI.

Household's that are unable to, or uninterested in, purchasing a home often look towards the rental housing market for their housing options. However, rental housing in Provo faces similar affordability challenges as for-sale housing. Table 10 (page 84) illustrates the number of rental households at varying income bracket of AMI as well as an approximation of the number of available rental units at the corresponding rental rate. Currently, there exists a shortage of price appropriate units at both the high and low end of the market. For households making below 30% of AMI there is a unit deficit of approximately 3,377 units, while households making 80% to 120% of AMI have a unit deficit of approximately 2,510 units.

Housing Supply & Availability for Targeted Groups

Special needs housing includes housing for the elderly, veterans, those with disabilities and the homeless. The following paragraphs give further details regarding housing for those groups.

Elderly Housing and Housing for Those with Disabilities

According to real-time data collected from the CoStar, Provo has 53 housing developments targeted toward senior occupancy as well as a number of elderly care facilities.¹⁰ Since the 2010 U.S. Census, eight new assisted care and senior facilities have been developed. As Provo's population continues to age, the need for senior care facilities and assisted living developments will continue to rise. The city should continue to monitor these groups to ensure appropriate housing is available for those who may need assistance.

Housing for Veterans

Currently, Provo City does not have any housing units built specifically to address the needs of veterans. Although the percentage of veterans in Provo is relatively low, their needs need to be understood and addressed as needed.

¹⁰ CoStar, 2021.

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Table 9: Distribution of Sale Value for Provo's Owner-occupied Housing Units

HOME VALUE	# OF SALES	% OF TOTAL	CUMULATIVE OF TOTAL
\$200,000 or Less	5	0.6%	0.6%
\$200,000-\$250,000	7	0.8%	1.4%
\$250,000-\$275,000	12	1.4%	2.8%
\$275,000-\$300,000	26	3.1%	5.9%
\$300,000-\$325,000	35	4.2%	10.1%
\$325,000-\$350,000	57	6.8%	16.8%
\$350,000-\$375,000	73	8.7%	25.5%
\$375,000-\$400,000	83	9.8%	35.3%
\$400,000-\$425,000	68	8.1%	43.4%
\$425,000-\$450,000	68	8.1%	51.5%
\$450,000-\$475,000	68	8.1%	59.5%
\$475,000-\$500,000	42	5.0%	64.5%
\$500,000-\$600,000	124	14.7%	79.2%
\$600,000-\$700,000	68	8.1%	87.3%
\$700,000-\$800,000	47	5.6%	92.9%
\$800,000-\$900,000	23	2.7%	95.6%
\$900,000-\$1,000,000	10	1.2%	96.8%
\$1,000,000-\$1,500,000	20	2.4%	2.4%
\$1,500,000-\$2,000,000	3	0.4%	2.7%
\$2,000,000 or Greater	4	0.5%	3.2%
Total	843	100%	

Sales Recorded in Utah County during January & February of 202

Table 10: Availability of Rental Housing by AMI Category

HOUSEHOLD INCOME RANGE	RENTAL HOUSEHOLDS	RENTAL PRICE RANGE	APPROXIMATE AVAILABLE UNITS WITHIN PRICE RANGE	UNIT SURPLUS / SHORTAGE
<30% of AMI	5600	\$0 - \$663	2223	-3377
30% to 50% of AMI	4560	\$663 - \$1,046	8538	3978
50% to 80% of AMI	4250	\$1,046 - \$1,674	4663	413
80% to 120% of AMI	5559	\$1,674 - \$2511	3049	-2510

American Community Survey, 2019

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Homeless – Transitional Housing and Shelters

Provo City and other consortium cities partner with the Mountainland Continuum of Care and its partner agencies to provide emergency shelter needs. A prominent shelter is provided by the Food and Care Coalition shelter. That organization is in the process of building a number of individual shelter units for families. Additionally, the Provo City Housing Authority is working to provide additional transitional housing, utilizing renovated motel units where possible. Provo also currently provides CDBG funding to support the efforts to reach out to unsheltered individuals and assessing their needs.

Future Housing Affordability Distribution

Five and Ten Year Projected Population Increases

Using baseline population projections from the ESRI and the Mountainland Association of Governments (MAG), low, medium, and high population projections were calculated for Provo. The medium projection acts as the baseline population projection as defined by ESRI and the Mountainland Association of Governments. To account for lower-than-normal population growth, a multiplier of 0.75 was used to adjust baseline projections to account for lower than anticipated growth rates. To account for higher-than-normal population growth, a multiplier of 1.25 was used to adjust baseline projections to account for higher than anticipated growth rates. It is assumed that population counts performed by the MAG are underestimated. As a result, for the purpose of planning the projected high population growth levels should be used. Table 11 illustrates the low, medium, and high 5- and 10-year population projections for Provo.

Using the low, medium, and high population projections and the assumption that the distribution of household income and household size would remain constant, new projections for the percentage of households that will fall within targeted income levels over the next five and ten years were calculated. Table 12 illustrates a breakdown of households by income level for 2026 while Table 13 illustrates a breakdown for 2030.

Affordable Housing Projected Need by Population Increase

Using 2026 and 2030 project household income ranges, the number of households falling within the target groups of 30%, 50%, and 80% of AMI were calculated. These updated numbers were measured against the number of anticipated units falling within affordable for-sale and for-rent price ranges. The number of for sale housing units by price were calculated using 2019 ACS Home Value Estimates, the most recent data available. Due to the rapid increase in home value during 2021, this data likely underestimates the number of for-sale units available for households falling within 30%, 50%, and 80% of AMI.

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Table 11: Five and ten year Population Growth Projections

GROWTH LEVEL	YEAR			
	2010	2020	2026	2030
Low	110,201	116,616	132,623	135,821
Medium*	110,201	116,616	137,958	142,223
High	110,201	116,616	143,294	148,625

*Baseline population projection as defined by ESRI and MAG.

Source: ESRI, MAG.

Table 12: 2026 Population Projections by Income Range

2026 POPULATION PROJECTIONS			
	Low	Medium	High
Total Households	43,483	45,232	47,090
Less than \$10,000	1,696	1,764	1,837
\$10,000 to \$14,999	2,087	2,171	2,260
\$15,000 to \$24,999	5,870	6,106	6,357
\$25,000 to \$34,999	5,261	5,473	5,698
\$35,000 to \$49,999	5,783	6,016	6,263
\$50,000 to \$74,999	8,523	8,865	9,230
\$75,000 to \$99,999	6,131	6,378	6,640
\$100,000 to \$149,999	4,479	4,659	4,850
\$150,000 to \$199,999	1,696	1,764	1,837
\$200,000 or more	1,957	2,035	2,119

Source: ESRI, MAG

Table 13: 2030 Population Projections by Income Range

2030 POPULATION PROJECTIONS			
	Low	Medium	High
Total Households	44,531	46,630	48,730
Less than \$10,000	1,737	1,819	1,900
\$10,000 to \$14,999	2,138	2,238	2,339
\$15,000 to \$24,999	6,012	6,295	6,578
\$25,000 to \$34,999	5,388	5,642	5,896
\$35,000 to \$49,999	5,923	6,202	6,481
\$50,000 to \$74,999	8,728	9,140	9,551
\$75,000 to \$99,999	6,279	6,575	6,871
\$100,000 to \$149,999	4,587	4,803	5,019
\$150,000 to \$199,999	1,737	1,819	1,900
\$200,000 or more	2,004	2,098	2,193

Source: ESRI, MAG.

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To project increases to for-sale and for-rent housing stock for 2026 and 2030, 5-year projected unit increases calculated by ESRI were applied to the baseline 2020 housing units for Provo calculated using 2019 ACS 5-year estimates. Tables 14 and 15 illustrate the projected the number of households falling within the target groups of 30%, 50%, and 80% of AMI assuming baseline population projections as defined by ESRI and the MAG, along with the additional for-rent and for-sale housing units needed to meet demand.

Both 2026 and 2030 projections indicate that increases in the number of households falling within the target groups of 30%, 50%, and 80% of AMI are anticipated to outpace the increase in for-rent and for-sale housing units available. In 2026, a deficit of 5,660 housing units is projected, while in 2030 a deficit of 5,660 units is projected. In order to mitigate future affordable and moderate incoming housing shortages, Provo must take a proactive approach to working with development community in order to develop price and unit appropriate housing that can accommodate the City's rapidly growing population.

Regulatory Environment

Recognizing and Addressing Fair Housing

Barriers to Fair Housing come from a variety of sources. In February 2015, a study on impediments was completed by James A. Wood for the Provo Redevelopment Agency. The resulting Analysis of Impediments to Fair Housing Choice: Provo City and Utah County, was funded by a grant provided to develop a Regional Analysis of Impediments (RAI) for each of the four counties along the Wasatch Front and was supported and informed by HUD's required Fair Housing and Equity Assessment (FHEA). After examining many, the study identified 10 principal impediments to Fair Housing:

1. Segregation Due to Concentrations of Affordable Housing: NIMBY-ism, Zoning and Land Prices.
2. Concentration of Tax Credit and Rent Assisted Apartment Communities.
3. Concentration of Rental Units Limits Housing Choice for HUD Voucher Holders.
4. Vague and Outdated Housing Plans.
5. Availability of Rental Units for Large Families
6. Language Access Plans Fundamental to Housing Discrimination Complaint Process and Information
7. High Cost of Housing Development at TOD's Impedes Development of Affordable Housing.
8. Hispanic Denial Rates for Mortgage Loans Indicate Possible Impediment to Fair Housing.
9. Housing and Disable Individuals.

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Table 14: 2026 Moderate Income Housing Projections

2026 PROJECTION					
Household Income Group	Household Income Range	# of Households w/ in range*	# of For Sale Housing Units Affordable to Income Group	# of For-Rent Housing Units Affordable to Income Group	Difference
<30% of AMI	\$25,320	10042	539	2482	-7020
30% to 50% of AMI	\$25,320 - \$42,200	11489	1005	9636	-848
50% to 80% of AMI	\$42,200 - \$67,520	8865	5622	4712	1468
Total		30396	7166	16830	-6400

* Number of households are not an exact match due to distribution of income groups.

Source: American Community Survey, 2019.

Table 15: 2030 Moderate Income Housing Projections

2030 PROJECTIONS					
Household Income Group	Household Income Range	# of Households w/ in range*	# of For Sale Housing Units Affordable to Income Group	# of For-Rent Housing Units Affordable to Income Group	Difference
<30% of AMI	\$25,320	10352	577	2656	-7119
30% to 50% of AMI	\$25,320 - \$42,200	11844	1075	10311	-458
50% to 80% of AMI	\$42,200 - \$67,520	9140	6016	5041	1918
Total		31336	7668	18008	-5660

Source: American Community Survey, 2019.

APPENDIX A

10. Concentration of Low-Income Minorities in Provo Impedes Housing Choice as Well as Opportunity

Land Use and Zoning Regulations

Density Allowances: Several of Provo's zoning districts allow what would be considered very high density when compared to most jurisdictions in Utah. In fact, some zoning districts such as the Downtown zones (DT1, DT2); the Interim Transit Oriented Development (ITOD) zone; the West Gateway (WG) and, the Downtown Gateway (GW), do not have a density limitation. Additionally, the Downtown and ITOD zones have allowances for reduced parking standards. Several LIHTC projects have been development within these zones.

Some recent projects within the DT1 zone have even realized densities of up to 100 units per acre. Other higher density zones include the Campus High Density Zone (CHDR) that allows up to 80 units per acres; the High Density Residential (HDR) zone that allows up to 50 units per acres; the Medium Density Residential (MDR) zone that allows up to 30 units per acre; and the Low Density Residential (LDR) zone that allows up to 15 units per acre.

Allowance for Mixed-Use projects: Provo is continuing to develop and adopt new codes that allow increased moderate income development options throughout the city, through allowances for a variety of housing types, including townhomes, cluster developments, and apartments. Provo's code also allows residential uses as mixed-uses with commercial projects in a number of zones, most recently added as an allowance in the Regional Commercial Shopping (SC-3) zone.

Allowances for Accessory Dwelling Units: Provo's zoning code has allowed accessory dwelling units (ADUs) for many years and in many areas of the city. A further allowance was recently approved that now allows for detached accessory units. Additionally, to ease mortgage and other housing costs, elderly people are allowed to rent to rent a portion of their home to two people, as a by-right allowance.

Development Fees and Other Governmental Costs: To speed both the review and permitting process, Provo City has recently created a new Development Services Department that includes city staff from a variety of departments, with the intent that plans can be reviewed more quickly and decisions made more expeditiously to speed up the process as much as possible.

Provo City allows a review and reduction of development and building permit fees. Additionally, the City, through its Redevelopment Agency, has also worked to consolidate properties and provide land at a reduced cost to further reduce development fees and costs.