Affirmatively Furthering Fair Housing Plan-Update 2002 Consolidated Plan

Introduction

In 1995 the Southeastern Utah Association of Local Governments conducted a comprehensive, District wide Assessment of Impediments to Fair Housing. Information was gathered at the county level to identify lending policies and practices, private landlord rental policies, numbers of housing discrimination complaints, market conditions, zoning, fees and licensing requirements, and overall housing availability. Because very little has changed in the housing market in this District since this AI was conducted, the information obtained in the 1995 study was updated and used to form this Affirmatively Furthering Fair Housing Plan.

General District Housing Status:

75%[1] of the housing within the district is owner-occupied. The rental market consists primarily of single family homes. Duplexes and mobile homes (in mobile home parks) are the next most common rentals available. Multi-family apartments and condominiums are the least available rental housing. The vacancy rate for all types of housing, district wide, is approximately 6%. Rental vacancy rates (except mobile homes) are approximately 4-6%[2]. In the last five years five

[1] 1990 Bureau of the Census

[2] This is a regional average. Rental availability in Grand County, Blanding City and Price City is lower.

multi-family developments were built. Three of these projects were targeted for senior citizens and/or households at or below 60% of median income. The newest multi-family development is a 48 unit mixed income complex in Price City built with housing tax credits. The two private developments were condominium projects targeted to households above 80% of median income. While many subdivision plans have been filed with, and approved by district entities, no homes are actually built by developers. Houses within these subdivisions are built one at a time by the family that will live in the home. In fact, all single family housing starts within the district are homes built by the owner-occupant. Overall market demand prohibits the kind of speculative development found in more urban areas of the state - for both single and multi-family housing.

Within the last several years the real estate market has flattened Home prices are not rising as fast as they did prior to 1997 and homes are on the market an average of eight months now, compared to less than two months in 1996. 99% of the new homes built within the district are built by current residents who are moving from the rental market (first time homeowners) or are current homeowners who want bigger, more expensive homes on larger lots (or with acreage). Approximately 75% of the new homes built are manufactured homes. The rental market has also stabilized. Rent costs are holding at 1997 levels. During 1999/2000 units were vacant an average of four to six weeks compared with two weeks or less in 1997 and previous years.

Generally, communities in this district are not segregated by race, religion or income level. For obvious reasons the communities on the Navajo and Ute Indian Reservations are 99.9% Native American. However, off the reservation no communities or even neighborhoods are defined by race, color, or religion. In the District's two largest cities, Price City and Moab City, newer neighborhoods tend toward the middle to upper income groups, while the older neighborhoods tend toward the middle to lower income groups. Still, even in these cities a broad income mix is found. The rest of the communities/neighborhoods within the district are very well integrated with respect to income level. Only the District's Housing Authority or Rural Development public housing complexes hold concentrations of low income families.

Lending & Institutions

Policies and Practices of District Lending Institutions:
There are commercial banks, credit unions, savings and loans and/or private mortgage companies in every county within this district. All these institutions follow their Community Redevelopment Act plans and no violations were found for 1999/2000. However, all of the branch institutions must abide by the loan decisions made by their corporate offices in the metropolitan areas of the state, or in a few cases, even in another state. Lending institution throughout the District participate in subsidized lending programs such as those offered by the Utah Housing Finance Corp., Rural Development, Housing and Urban Development, Federal Housing Authority.

In 2000, no discrimination complaints have been filed against local banks for their lending practices. While no cases of "red-lining" have been found, there are communities where getting construction financing is very difficult because of several reasons: 1. New housing costs more to build than what the appraised value will be. 2. The community itself lacks acceptable sewer, septic or culinary water systems. 3. Because of inadequate zoning, planning and subdivision approval building lots have no way to get water/sewer connections and/or the only access to the property is though another piece of private property (the lot is "landlocked"). 4. Because historically property transfers were not recorded (or were recorded incorrectly) determining exactly who owns the land is impossible (there is no clear title).

Individual applications for home mortgages were denied for the following reasons (listed in order from the most common to the least common reason for denial): 1. The applicant's debt to income ratio was too high. 2: The applicants did not have the required down payment and/or closing costs. 3. The property was overpriced for the applicant's income. 4. The property was so dilapidated that it did not meet the funding source requirements (HUD/FHA/RD). 5. The applicant's credit history/report was unacceptable. 6. The applicant's employment history was deficient.

All the District's lending institutions require that mortgage payments (including mortgage insurance, if required) be no more than 29% of the applicant's income. Also, the total debt ratio (including the mortgage) can be no higher than 43% of the applicant's income. Depending on the average required down payment is between 3-10%. Not surprisingly, applicants with incomes below median were less likely to qualify for a mortgage than applicants with incomes at or above median.

Landlords & and Property Managers

Policies and Practices of District Landlords and Property Managers:

More than 90% of the rental property available within the district is in the form of single family homes. Most of the multi-family units are duplex or four-plex buildings. Except for the Housing Authority properties there are only seven multi-family rental complexes with more than eight units in the Southeast District[3]. Most of the rental units within the District are managed by the property owner who also resides within the district. Relatively few units are managed by local real estate companies. Most rental property owners have fewer than six units, with two units being the average.

Most landlords require that prospective renters fill out an application, although application fees are not usually charged. In general the applications require the applicant to provide previous landlords as references, list employment history, document income and debt, and provide non-related personal references. All District landlords require a security deposit and most require at least one additional month's rent. Most District landlords require a rental or lease agreement. However, much variance was found in these agreements. They ranged from simply stating the amount of the rent and when it is due, to documents that detail the rights and responsibilities of both parties. While most of the landlords used a simpler agreement, it was found that the landlords that used a more comprehensive lease agreement had fewer, less serious conflicts with their tenants.

The main reasons given for denying a rental to an applicant were (listed in order): 1. The applicant's income was insufficient for the rent required: or, if the applicant held a Sections 8 Certificate, the certificate's value was not enough to cover the full rent.

the financing program

[3]Price City and Moab City also have condominium complexes in which some units are available to renters.

2. The applicant had a deficient employment history and/or very poor credit report. 3. The applicant had bad references from previous landlords. 4. The applicant never returned the application or did not completely fill out the application.

Limitations & and Barriers

Limitations for Housing Development

Practically no housing project development has taken place within the Southeast District in the last fifteen years. The only multi-family developments built have been HUD, LIHTC (Low Income Housing Tax Credit Program) or Rural Development-funded projects, or dormitory housing for the College of Eastern Utah. While numerous subdivision and "planned unit development" plans have been filed with, and approved by, district entities, the actual housing and infrastructure are only built when there is a buyer for the property. The vast majority of new housing starts in the last three years have been manufactured homes installed on private lots owned by the household that will live in the home. It is a simple fact is that, generally, the market throughout the District will not support the private development of either large single-family-home subdivision or multi-family housing projects.

Except for Castle Valley Town[4] in Grand County, none of the District's entities have zoning ordinances that prohibit the development of multi-family housing or restrict it to extremely limited areas of the city. However, because they are so small, many District's towns would be severely impacted (water, sewer, traffic, etc.) if a large development were built. Most of the District's smaller communities would discourage developments larger than eight units. To lessen the impact, especially on traffic flows and individual school enrollment, most of the communities in the District's have zoning ordinances that allow for small multi-family developments scattered throughout the city, and discourage high density developments clustered in one area. All of the District's counties have ordinances that make is very difficult for development anywhere there is not already water, sewer and road infrastructure in place. All of the cities and counties in the Southeast District require developers to pay for and install any infrastructure needed by the new housing.

[4] As required by its Incorporation and Homeowner Association organizational documents, the only housing allowed in Castle Valley Town are single family homes (any type) on lots no smaller than five acres.

Although, no formal fair housing complaints have been filed against individual rental property owners or realtor property managers, all the Housing Authorities have received informal complaints from renters. The renters felt they had been denied housing for the following reasons:

1. Landlords refuse rentals to Section 8 certificate holders. 2. Landlords refused rentals to low-income families in general. 3. Landlords refuse rentals to single women with children. Although complaints have been received at the local level (through the Housing Authorities or to the housing staff of the SEUALG), the facts of these cases did not substantiate any violations of fair housing laws. For instance in this District the actual market rents have outpaced the value of Section 8 certificates. Often where a Section 8 applicant was refused a rental the reason was that the certificate value was not enough to cover the actual rent. The conversion of the Section 8 Certificates to the voucher program is alleviating this problem. However, because of market forces lower income households, even those with Section 8 certificates, have a much more difficult time finding housing they can afford. This is especially true for families needing housing with more than two bedrooms or households below 60% of median income.

Actions & &
Resolutions

Resolution of Barriers:
A simple fact of the marketplace is that lower income households have less housing choice than households with higher incomes. The SEUALG and its member entities support programs and public policy that enable and encourage increased income capabilities through job training, job development, and personal responsibility.

District entities are encouraged to enforce existing building codes and to adopt the Utah Fit Premises Act (Title 57, Sec. 22). Technical assistance for regulations development will be provided by the SEUALG community planning staff as requested.

Technical assistance will be provided by the SEUALG community planning staff for the development of zoning regulations, restrictive covenants, deed restrictions, etc. Technical assistance will also be provided to address issues such as higher density housing, development of affordable housing, and special needs housing, etc.

The SEUALG will coordinate activities, act as a clearinghouse and provide technical assistance to the District's Housing Authorities, Community Services organizations, special needs groups, and the Utah State Industrial Commission, Fair Housing Division. The SEUALG will also act as a referral agency and provide technical assistance for individuals/households that feel they have experienced discrimination.

The SEUALG will continue to provide technical assistance to entities to develop and update their mandated Affordable Housing Plans. To date 95% of the District's counties and cities have adopted such plans.