



Cache County Housing Crisis Task Force

Report

March 14, 2023

Presented to

Cache County Council

Introduction

The Cache County Housing Crisis Task Force was created in response to concern about our community's extreme shortage of housing and unaffordable home prices, including how that shortage has affected the ability of employers to hire and grow.

At the direction of David Zook, Cache County Executive, a housing crisis task force was commissioned to be led by John Drew, former Providence City Mayor, Shawn Milne, Cache County Economic Development Director, and Karina Brown, Policy Analyst for Cache County. We were given 60 days to complete our task and report. Our findings are the result of input from all task force members gathered through surveys and in person meetings as well as external research.

A committee of 50 members was formed with backgrounds in a wide variety of community interests; economic development and planning, real estate and developers, elected and appointed state, county, and city officials, church leaders, private citizens, private industry, non-profits, education including Utah State University and Bridgerland Technical College faculty and institutional leaders.. The first task force meeting was held on April 20 of 2022.

The task force's assignment was to identify the causes of the crisis, quantify the magnitude of the problem, survey public attitudes, and make impactful recommendations.

This report is a summary of task force findings. What follows is a description of the primary causes and recommended solutions to address this challenge. The housing crisis issues are numerous, and as such, we have focused on that which has the most impact.

The Housing Crisis in Cache Valley

As home prices have reached historic highs, the supply of available housing units has not kept pace with population growth. The US Census reported an almost 20% growth in Cache Valley population from 2010 to 2020, with more than 85% of that growth being children of current residents and driven by natural increase (Gardner, 2021). As a result, we have an overwhelming demand for housing units, including an acute shortage of rental property.

During that same period, housing prices have grown 8 to 10 percent a year, pausing during 2020 the first year of the pandemic, only to accelerate rapidly. These sustained increases have left home ownership out of reach for many in Cache Valley. See the stats below:

Housing and Other Key Cache Valley Data*

	2010	2020	2022, April	February 2023	Comments
Average home price	\$172,369	\$307,228	\$496,633	\$464,817	2010 to 2020, a 78% increase, to 2022 a 188% increase, to 2023 a 170% increase
Avg. mortgage interest rate	4.69%	3.11%	4.98%	7%	Rates dipped below 2% in 2021; normal year 5% to 6%
Average mortgage payment	893	1,314	2,639	3,092	2010 to 2020, a 64% increase, to 2022 a 196% increase, to 2023 a 246% increase
Homes on the MLS	April 2011 768	April 2021 53	April 2022 78	February 2023 119	Average year, 500 to 600 homes on the MLS
Median income	47,013	60,530	65,670 (2021)	\$76,900	2010 to 2023, a 63% increase
Unemployment rate	6.0%	5.8%	1.6%	2.2%	Attainable workforce housing is needed
Population-Cache County	112,656	133,154	137,417 (2021 Census)	140,249 (2022)	A 25% increase since 2010
Population-Utah	2,763,855	3,271,616	3,337,975	3,404,760	A 23% increase since 2010

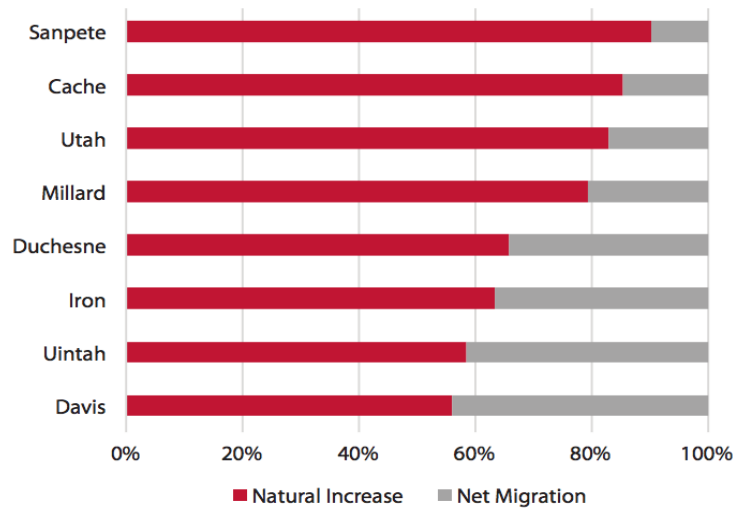
*Sources: Bear River Association of Governments (BRAG), Fannie Mae Area Median Income Lookup Tool, Kem C. Gardner Policy Institute, Cache Valley Association of Realtors

The Kem Gardner Policy Institute of the University of Utah estimates that Cache Valley will need 11,600 additional housing units between now and 2030 to accommodate new household growth (Eskic, 2022).

The Milken Institute (2022) recently ranked the Logan, Utah-Idaho Metropolitan Statistical Area area as the #1 performing small city in the nation! However, they ranked us No. 178 for housing affordability.

According to the Kem C. Gardner Policy Institute (2022), the projected population growth in Cache County from 2020-2060 will be 85% driven by natural increase.

Figure 11: Counties Share of Years Driven by Projected Natural Increase, 2020–2060



Source: Kem C. Gardner Policy Institute, 2020–2060 Projections

Today’s Crisis Impact

We have an extreme shortage of available homes across most socio-economic levels. According to the Kem C. Gardner Policy Institute at the University of Utah (2021), “Utah’s housing market faces a severe imbalance that creates record price increases for homeowners and renters.”

Here in Cache Valley, less than 25% of households with householders 25 to 45 can afford a home at the average selling price. Source: Bear River Association of Governments (BRAG)

Most people could not afford to purchase the house they live in, given today’s market prices and household income. Source: Bear River Association of Governments (BRAG)

Why the High Demand for Housing?

Utah has the highest birthrate of any state in the US. A US Census (2017) report stated that Cache County Cache County was one of 4 out of more than 3100 counties with the highest birth rate. Utah has the highest birth rate of any state (Stebbins, 2022).

The culture in Utah promotes large families. A BYU report (1999) states, “When compared with other religious groups, Latter-day Saints have larger families, the highest rates of fertility, and the lowest divorce rates.”

It’s mostly those people from out of state, right? United Van Lines (2020) annual study of population migration considers Utah a “balanced” state where on average, approximately the same number of families move in as move out.

We knew that population growth was going to happen. Envision Cache Valley report (2010) anticipated a doubling of population by 2050. The 2020 US Census reported that Utah was the fastest-growing state.

Why a Housing Supply Shortage?

We do not have a free market for housing.

- Developers only build housing they are allowed by the local government. Existing city codes and general plans encourage low-density residential, single-use zoning. City councils, planning commissions, and city staff exhibit their biases against allowing a variety of housing types and are reluctant to consider anything controversial (Utah Foundation, 2022).
- Members of the public push the idea that any housing density higher than in their neighborhood will depress property values. More than half a dozen studies refute that notion, and several point out statistically significant *increases* in property values. A recent example was publicized by the Urban Institute (2022).
- Public clamor and the threat of a ballot referendum makes for timid council members and uncertainty for landowners (Ionescu, 2022).

What are the Consequences of Doing Nothing, Maintaining the Status Quo?

Housing and jobs go hand in hand. We have recent examples of businesses unable to attract employees, taking expansion outside the valley.

- Companies with high-paying jobs choose not to locate here, so jobs necessary for a growing population go elsewhere (Marchant, 2022).
- With job growth not keeping pace with population growth, young people have no choice but to leave.
- Over time, the average age of Cache Valley residents will increase, with little available that is affordable for young families.
- Many families will find that their children and grandchildren have no choice but to live elsewhere.

Housing Crisis Myths

Our Task Force shared many complaints they have heard about allowing a variety of housing development:

- Great ideas, just not in my neighborhood or my city
- All that high density should be in Logan
- It's "those people" that come here and bring crime, and trashy neighborhoods
- Higher density will reduce home values in our neighborhood.
- "Everybody knows" that high-density housing becomes run down after 15 – 20 years.

And on and on...

Recommendations

We received a long list of recommendations from task force members. Much of the focus is on influencing public opinion, some of it changing state and local codes and administrative practices. To focus on the primary causes of a lack of housing supply, we address those causes.

To organize that focus, we have listed our recommendations by entity.

Federal Government

- Identify and publicize factors that contribute toward increased housing costs, and rank by impact.
- Investigate the impact of the supply of labor and materials on the housing market, including gilded trades and unions, training and certification programs, import caps, tariffs, and subsidies.
- Analyze the extreme swings in the cost of money (interest rates) on housing market booms and busts
- Take action to eliminate supply chain problems.
- Take steps to control inflation.

State Government

- Reign-in / limit zoning by local referendum.
- Prohibit city code that creates barriers to allow a variety of housing options.
- Track and publish each city's progress toward meeting housing goals and penalize cities that fail to meet these goals while providing incentives for those that meet goals.
- Create or support programs to help first time homebuyers.

County/CMPO/BRAG Government

- Working with Cache Valley cities, prepare a county-wide master plan (General Plan with housing and transportation plans) that incorporates city plans.
- Conduct meetings with city leadership on a county-wide development plan at least once a year.
- Include in the county General Plan a plan to preserve open spaces and then take action to preserve open space, in order to limit pressure on development in cities.
- Adopt code revisions that allow denser development in the unincorporated areas.
- Identify and implement strategies to support residents faced with homelessness.

City Governments

- Adopt city-wide general plans with development philosophies that emphasize housing varieties to reduce the cost of living.
- Educate city councils, planning commissions, and citizens on housing issues.
- Enact zoning and code reform to reduce/eliminate restrictions that inhibit the development of a variety of housing types.
- Designate open spaces for permanent preservation.

Utah State University/Bridgerland Technical College

- Survey students for housing preferences and needs.
- Meet with student groups to present our findings and hear their concerns, do video interviews for publication.

Local School Districts

- Survey staff and senior students for housing preferences and needs.
- Visit classrooms and student groups to interview and get their feedback; video tape class discussions for publication. Survey parent housing needs.

Private and Non-Profit Organizations

- Prepare an analysis of income/debt loads of young buyers with corresponding adequate housing inventory to meet their needs.
- Compile data and research sources related to the housing shortage.

Cache Valley Chamber of Commerce

- Document cases of business/worker unmet housing needs, and share with local officials.

Public Outreach Recommendations

- Conduct media / PR / Education awareness campaigns in a variety of venues and population groups.
- Meet in a town hall type public venue to present findings and do video interviews for documentary-type productions.
- Connect with young people; they are our future policymakers/drivers.
- **Foster a Cultural Shift** to help citizens become more open to new neighbors
 - Church
 - Education/Schools
 - Arts/Entertainment

Zoning

From the Kem C. Gardner Policy Institute, 2020:

- “Zoning ordinances, in many cities, do not reflect the shift in preferences to higher-density, more affordable housing. Zoning often lags changes in market preferences.”
- “Zoning ordinances, in all their complexity, reflect a bottom-up approach to governance. As city councils and planners respond to their constituents, zoning ordinances come to embody, in part, resident concerns, interests, and preferences. And a facet of land use regulation familiar to every developer is the opportunity for neighbors to express their views, in front of the city council and planning commission, on proposed new residential and commercial developments.”
- In relation to leadership and political will—**“Progress on the housing crisis needs continued state and civic leadership. Without it, today’s children, Utah’s next generation, will face an even greater scarcity of affordable housing and more burdensome housing prices.”**

Top 3 Task Force Recommendations

- Zoning reform at the county and city levels, limit zoning by referendum at the state level.
- Public education campaign with an emphasis on reaching younger people who are close to or at home-ownership life-stages. Educational videos about our housing market.
- Coordinated county and city planning for growth.

Utah State Code:

10-9a-102. Purposes - General land use authority.

- (1) The purposes of this chapter are to:
 - (c) improve the morals, peace, good order, comfort, convenience, and aesthetics of each municipality and each municipality's present and future inhabitants and businesses.

Do we live our values?

We wish to thank all of the Task Force members who participated in meetings and surveys, and provided their research, thoughts and ideas, and especially thank USU Professor Damon Cann who crafted the Qualtrics surveys for us, and compiled survey results for this effort.

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Name	Role
John Drew	Co-Chair, Former Providence Mayor
Shawn Milne	Co-Chair, Cache County Economic Development Director
Karina Brown	Co-Chair, Cache County Policy Analyst
Jess Lucero	USU Social Work Professor/ /Homeless Council
Phil Redlinger	Cache Valley Veterans Association
Brett Greene	Cache Valley Bank, mortgage lending President
Scott Danielson	BTECH Associate VP for Instruction Manufacturing, Construction, and Transportation
Blake Dursteler	Center for Growth and Opportunity
Jay Stocking	Sierra Homes
Jeff Jackson	Visionary Homes
Justin Nunez	Realtor
Josh Runhaar	Neighborhood Nonprofit
Leticia Shiffrit	Cache Valley Realtors Association
Bracken Atkinson	Wasatch Development Group
Curtis Wall	Smithfield City Council
Tim Watkins	Cache County Development Services
Janea Lund	Department of Workforce Services
Dan Johnson	Utah Legislature, Representative
Chris Wilson	Utah Legislature, Senator
Jeff Nebeker	Providence City Council
Kathleen Alder	Providence Mayor
Mike Desimone	Community Development Director, Logan
Sara Doure	Planning Commissioner, Logan
Ben Palmer	USU Student/Rep. Moore
Val Potter	Former member Commission on Housing Affordability, former State Representative
Jeanell Sealy	Providence City Council
Wid Bastian	Filmmaker

Damon Cann	USU Professor Political Science, former North Logan Mayor
Brian Blotter	Malouf, Human Resources
Randy Simmons	USU Professor, Economics
Shaun Dustin	Engineer, Developer
Gordon Zilles	Cache County Council
Sandi Goodlander	Future Cache County Council
Laura Gale	BRAG, Regional Growth Planning Specialist
Brian Carver	BRAG, Community & Economic Development Director
Zac Covington	BRAG, Planning Director
Lucas Martin	BRAG, Human Services Director
Paul Davis	BRAG, Business Outreach/Special Projects
Adam Tripp	Property Management Company
Chris Harrild	County Development Services
Bart Baird	Chaplain and Grief Counselor
Skarlet Bankhead	City of Providence
Caleb Harrison	Bear River Health Department, epidemiologist
Andy Rasmussen	Realtor
Kristina Eck	Realtor
Keith Christensen	USU, Department of Landscape Architecture and Environmental Planning (Head)
Lucy Delgadillo	USU Extension Family Finance (Specialist)
John Bostock	USU Housing (Director)
Bryan Cox	Hyde Park Mayor
Erika Lindstrom	USU Inclusion Center (Diversity and Residential Housing)
Michael Fortune	Providence Planning Commissioner
Richard West	Bear River Communications Council, The Church of Jesus Christ of Latter Day Saints
Jeanette Christenson	Concerned Providence citizen
Adam Ritter	Visionary Homes, VP of Operations
Addison Gallup	Concerned Logan renter/student
Randy Williams	USU retired Professor, folklorist & ethnographer