



**Memorandum**

**To:** Town Council  
**From:** Thomas Dansie, Director of Community Development  
**Date:** August 7, 2020  
**Re:** August 12, 2020 Town Council Meeting  
Housing Plan Input – Consideration of the Town’s Definition of “Affordable” Housing

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**Executive Summary**

The Town’s housing consultant, Zions Public Finance (ZPFI), is nearing the conclusion of the housing study. To aid the consultant in formulating Springdale specific recommendations and strategies the Council should provide input on Town’s housing policy goals, particularly concerning affordable housing.

The term “affordable housing” has a range of connotative meanings, and is used in vernacular to describe a number of different housing types and policies. The Council should determine what the term “affordable housing” means in relation to housing policy in Springdale.

**Background**

The Town has adopted a number of policies and ordinances related to affordable housing, including:

- General Plan Priority 6: Housing Diversity and Affordability
- General Plan Goal 5.2: Affordable Housing
- General Plan Goal 5.3: Employee Housing
- Town Code Chapter 6A: Affordable Housing
- Town Code Chapter 13D: Moderate Income Housing Development Overlay Zone
- Town Code Section 10-22-15: Accessory Dwelling Units
- Resolution 2013-14: Employee Housing Impact Fee Deferral Policy
- Red Hawk at Springdale Development Agreement

All these policies are aimed at increasing the diversity of housing in Springdale with the goal of making housing affordable for a wider market. While these policies are all aimed at increasing the supply of affordable housing, none of them establish a Town-wide standard for what “affordable housing” means. This has led to confusion among policy makers and the general public regarding the Town’s housing goals.

The Town has hired a consultant to help refine the Town’s housing policies, and to recommend additional housing strategies to help accomplish the Town’s housing goals. In order to make the study recommendations as effective as possible it is important for the Council to clarify the Town’s priorities concerning affordable housing. Having a clear understanding of what “affordable housing” really means will help in this process.

The Council should determine what groups the Town’s affordable housing policies should be geared toward. The Council should also determine what the housing needs of these groups are.

### ***Definition of Affordable Housing***

When used by housing experts, the term “affordable housing” simply means housing which costs no more than 30% of a household’s gross monthly income. Rent/mortgage, property insurance, property taxes, and utilities are all included in the calculation of housing costs to determine housing affordability. Thus, when used in a technical housing policy setting, the term “affordable housing” is income agnostic. In other words, affordable housing is as much of an issue for someone with a six-figure income as it is for low wage workers.

However, in common usage the term “affordable housing” has many different connotations. It can be used to refer to subsidized low-income housing. It can be used to refer to housing provided by a community development housing organization, such as Habitat for Humanity. It can be used to refer to high-density apartments. It is frequently used as a general pejorative term for any housing that is objectional to a community because of the housing type or income level of the occupants.

The Town has traditionally used the term “affordable housing” to mean housing that is affordable (not costing more than 30% of gross monthly income) for households with annual incomes at or below the median income for Washington County (currently in the mid \$60K range)<sup>1,2</sup>.

For illustrative purposes, manager and supervisor positions at Town businesses are typically around the median income range. Entry level and service-oriented positions are generally much lower.

### ***Direction on “Affordable” Housing***

To help inform the recommendations of the current housing study, the Council should give direction on the primary affordable housing goals for the Town. Which groups should the Town give primary attention to in affordable housing policy?

- Service workers (Dishwashers, housekeepers, etc.) / service providers (Guides, restaurant servers, shuttle drivers, etc.)
- Managers and supervisors
- Small business owners
- Individuals
- Families
- Retirees
- Seniors
- Others
- None of these

Once the Council has identified which groups should be the focus of the housing study recommendations staff will forward this information to the housing consultant to help the study recommendations respond to the Town’s policy objectives.

The Council may also wish to start using the term “attainable” housing to avoid the confusion and multiple connotations of affordable housing.

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<sup>1</sup> See section 10-6A-1 of the Town Code.

<sup>2</sup> ZPFI has done a market analysis showing what households at this income level can afford to spend on housing, and what housing options are available in this range. These findings will be included in ZPFI’s report.