

A. Background

Section 10-9a-403 of the Utah Code requires all municipalities to adopt a Moderate Income Housing Plan and Section 10-9a-408 requires the cities to annually review their "moderate income housing plan" as part of the General Plan. Centerville's Moderate Income Housing Plan was originally adopted in February of 2002. Additionally, the City has submitted several biennial reports to the State, as required.

Title 10, Chapter 9a, Section 403 of the Utah Code Annotated requires all municipalities to adopt a Moderate Income Housing element and Section 408 requires the cities to biennially review their "moderate income housing" element of the General Plan. Centerville's Moderate Income Housing Element was originally adopted in February of 2002. Additionally, the City has submitted several biennial reports to the State, as required.

However, since the initial adoption of the plan element, there has not been a significant reassessment of "moderate income housing" status for the City. Therefore, both the Planning Commission and City Council have deemed it a priority to update the City's Moderate Income Housing Element, as shown on the 2012/2013 list of planning priorities.

B. Summary of Past Findings of the 2002 Moderate Income Housing Plan

Listed below is a brief narrative of the adopted findings or conclusions of the initial plan element to address the requirements of the statute:

- a) *Approximately 20% of the housing stock sales and assessments were deemed affordable and supply was likely adequate for that moment in time.*
- b) *Generally, the affordable housing stock was built prior to 1990 and mainly consisted of condominiums rather than single-family homes. Less than 10% of the*

new construction (after 1990) would likely be affordable.

- c) *It was assumed moderate income population would remain at 20% in the "near" future. Thus, with growth in population, new affordable housing would need to be built.*
- d) *Given, existing land costs and property values, existing and projected zoning, construction trends, etc. it is unlikely that any new housing stock constructed would be affordable to meet the new demands assuming a sustained 20% moderate income population.*
- e) *Approximately 80% of the City's housing stock consisted of single family homes. The 2000 Census indicated a decline in household size and an increase in the median age and an increase with both young adults and seniors. These changes may point to the need for a wider variety of housing types.*
- f) *There was a lack of supply with regards to rental housing and it may be getting smaller. The Census 2000 numbers indicated a 5% decrease in renter occupied housing from the 1990 Census.*

C. Summary of 2002 Plan's Past Strategies to Promote Moderate Income Housing

The previous strategies were developed using both the required State criteria and a few local ideas. These strategies were as follows:

State Strategies:

- a) **Rezoning** – Consider some additional multi-family zoning districts.
- b) **Density Bonus** – Consider a binding commitment to provide affordable housing when granting density bonuses.

- c) Mandatory Set Asides – Consider setting aside specific properties for exclusive development of moderate income housing.
- d) Infrastructure Expansion – The use of infrastructure expansion as a “technique” will likely have limited applicability for Centerville.
- e) Rehabilitation of Uninhabitable Housing – This “technique” will likely play no role in Centerville’s Plan.
- f) Waiving Construction & Other Related Fees – Because such fees are relatively small compared to land and construction costs, fee waivers may need to be coupled with other incentives.
- g) Use of Federal and State Funds or Incentives – Providing information about such programs may be useful and the City may need to consider requiring participation in such programs to receive any local incentives.
- e. Review and consider “Envision Utah’s” production of tools and model ordinances, as a starting point in creating flexible zoning incentives.

D. Summary of Centerville’s Previous Moderate Income Housing Plan Implementation Efforts

Since its original adoption, Centerville has made or taken significant efforts to implement the strategies of the Moderate Income Housing Plan. These efforts have resulted in opportunities for various types of housing to be preserved or to be developed. Listed below is a summary the efforts and opportunities that have been implemented or occurred:

2003:

- a) Zoning Ordinance Overhaul
 - ✓ Eliminated minimum lot sizes for most residential districts
 - ✓ Established a gross density standard for each district
 - ✓ Changes allow flexible lots sizes to encourage a range of home pricing in each development
- b) Garden View Apartments
 - ✓ 1st new apartment complex (59 townhome style units) using the new Residential High (R-H) Zone, which allows up to 12 units per acre.

2004:

- c) General Plan Modification
 - ✓ Encourage greater density in the Northwest Neighborhood Area
 - ✓ Locate such density near service areas and where transportation options are most available

2006:

- d) Pineae Village Estates
 - ✓ A master planned community of 227 dwelling units was approved allowing

Other Local Strategies:

- h) Consider Allowing Accessory Units - The use of accessory units throughout the community could potentially provide a source of moderate income housing.
- i) Create More Flexible Zoning Classifications – Options to consider were:
 - a. Use R-2 and R-3 Zoning to accommodate multi-family development.
 - b. Consider using “mixed use” zoning classifications.
 - c. Promote a variety of lot sizes with overall lot density standards rather than minimum lot sizes.
 - d. Consider using flexible performance based zoning.

a variety of housing types; Single family homes 49, Townhomes 94, Stacked flat dwellings 84.

dwellings each and 1 building with 30 units.

2007:e) Zoning Ordinance Update

- ✓ *Removed the five (5) acre minimum for any residential development desiring to use the Planned Development Overlay District, a density centered incentive based zoning tool.*

2008f) General Plan/Zoning – Main Street Corridor Plan

- ✓ *Accentuated the existing local commercial zoning district to allow flexible uses using a form based code. Uses from single family to multifamily dwellings were introduced to create mixed use focal areas along the corridor.*
- ✓ *Changes implemented the Wasatch 2040 Plan to establish the desired boulevard community within Centerville.*

g) Cedar Springs Condominiums

- ✓ *Preservation - CBDG funds were used to improve access streets and utilities for the 200-unit Cedar Springs development.*

2009h) Pheasantbrook Condominiums

- ✓ *Preservation - CBDG funds were used to improve access streets and drainage system for the 144-unit Pheasantbrook development.*

2010:i) Legacy Crossing at Parrish Lane

- ✓ *A Master Planned Mixed Use development, which approved 158 apartments, a complex of three buildings; 2 buildings with 64*

2015:j) Legacy Trails Development

- ✓ *A Master Planned Mixed use development, which approved 162 Apartments, located just west of the Legacy Crossing*

2018:k) Legacy Commons Development
(Approved but not Built)

- ✓ *A Master Planned Mixed use development, which approved 111 Apartments, located just north of the Legacy Trails Project.*

E. Guiding Principles of the Moderate Income Housing Plan Element

The guiding principles that are being used to give direction to the Moderate Income Housing Plan are as follows:

1. The Plan update recognizes that, over the past decade, the City has made significant strides in its efforts to alter or modify Zoning Regulations to encourage the development of a variety of housing types.
2. City's market characteristics and demands will vary overtime, the primary focus of the Plan is to regularly track and review the City's housing stock types in order to improve the decisions made regarding community plan updates and zone map amendments.
3. Due to political and geographical constraints, the Plan additionally focuses on the efficient use of existing infrastructure and utilizes "infill" or "redevelopment" scenarios that might assist with creating moderate income housing.
4. The basic tenet of livable communities is "good design," particularly when providing

more density to encourage development of lesser housing types.

F. Moderate Income Housing Plan

In the case of the Moderate Income Housing Plan (“*Plan*”), the **Guiding Policies and Directives of the Plan are expressed using the required elements or strategies of 10-9a.-403, as well other strategies identified by the City.** Each element is addressed separately within the Plan and consists of the following:

- An estimate of the existing supply of moderate income housing located within the municipality;
- An estimate of the need for moderate income housing in the municipality for the next five years;
- A survey of total residential land use;
- An evaluation of how existing land uses and zones affect opportunities for moderate income housing; and

- A description of the municipality’s program to encourage an adequate supply of moderate income housing.

Within the descriptive “element” of the Plan, various required analyses or strategies are identified and any associated conclusions or policies related to these strategies are listed and explained. **These strategies, conclusions, or policies are to be used in the decision-making process for land use ordinance amendments, applicable land use application reviews, and/or related capital improvement programs.** Additionally, each element or strategy may be accompanied by descriptive text that is intended to assist with the understanding the purpose, intent, and interpretation of the strategy as it relates to moderate income housing in Centerville.

PLAN ELEMENTS

PLAN ELEMENT 1:

1. A Survey of Total Residential Land Use.

The statute requires cities to conduct a survey of the total residential land use. Such an assessment for the City was made using the City’s GIS system and data from the County Recorder’s and Assessor’s Offices, and the City’s Building Department to perform the survey. Within the survey, housing was categorized into “use types” labeled singlefamily, townhomes and duplexes, and multifamily. These are the common categories used for various reports and surveys regarding residential uses and are similarly used later in this plan element. Furthermore, due to the difficulty of obtaining reliable data, the distinctive isolation and evaluation of apartments or rentals was not performed and was either assumed or combined with the multi-family calculations.

Additionally, the survey includes the current zoning districts that contain any of the selected use types. The survey did not include whether the use types were within the allowed densities of a particular zone or determine the non-conforming status of a specific use type.

REVIEW/ANALYSIS:

A. Results of the Survey of Residential Use Types (as of 2017):

HOUSING TYPE	2017 UNITS	%
<i>Single-family</i>	3,993	71%
<i>Town Home / Duplex</i>	1,029	19%
<i>Multi-family</i>	585	10%
<i>Total Units</i>	5,547	100%

Table 1

B. Survey Synopsis – From review of the data, single family dwellings are the predominant residential use type. This is not unusual for most cities and more particularly in other similar small communities. However, the townhome/duplex residential use type is higher than a normal open market yield (see City Strategy 8). Thus, it can be deduced that, in spite of having a prevailing single family residential use type, Centerville’s efforts to address moderate income housing since the adoption of the moderate income element have had a positive affect towards encouraging a variety of housing types.

C. Future Policy Considerations – The Wasatch area has grown rapidly in the last few decades, future residential needs for the City may likely reflect the following characteristics and trends:

1. The region is predicted to continue to grow by as much as 2.2. percent per year.

2. Two-thirds of this growth is expected to come from children growing up, settling this area, and starting their own families.
3. Utah's baby boomers had more children than their non-Utah counterparts and had them earlier in life.
4. There are more single-parent households than in the past leading to added growth.
5. Household diversity creates a demand for a variety of housing types to meet the different lifestyle groups.

PLAN ELEMENT 2:

2. An Evaluation of How Existing Land Uses and Zones Affect Opportunities for Moderate Income Housing.

According to the publication “Urban Planning Tools for Quality Growth” the evaluation of zoning densities is one of the biggest factors in making housing affordable. “If the widespread practice of zoning for mostly large-lot homes is not modified, economic problems will increase and people will be extremely limited in their lifestyle and household choices (*Chapter 2 - Meeting Housing Needs, page, 31*).

Since the original adoption of the City’s Moderate Income Housing Element, the City has implemented several changes to its Zoning Ordinance (*see Section “D” of this Plan Element*) to encourage the development of a variety of housing choices. These changes have allowed greater densities in areas of redevelopment that can capitalize on the efficient use of existing infrastructure or created projects with housing choices that do not result in typical large-lot style development.

REVIEW/ANALYSIS:

A. Existing Zoning District Opportunities:

Standard Zoning	Zones	Acres	Density Capacity
	Ag. Low (A-L)		487
Res. Low (R-L)		1,127	4,508
Res. Med. (R-M)		118	944
Res. High (R-H)		45	540
Mixed Use/ Flexible Zoning	FVSD	19	70
	R-H/ (PD)	30	227
	West Side/ Mixed Use Overlay	~ 50	750
	So. Main Street/ Mixed Use Overlay	~19	196 to 392
	C-VH(PD)/ Mixed Use Overlay	30	206
Totals		1,925	8,415 to 8,611

Table 2

B. Evaluation Synopsis – From review of the information, the typical standard zoning used by the City predominately consisted of single family, low-density, development. However, since the adoption of the Moderate Income Element, the City has implemented several flexible zoning tools that allow opportunities for various housing types. These efforts should be supported and continued into the future.

C. Future Policy Considerations – Decisions regarding land use planning in the future should consider the following:
 1. Provide opportunities for people moving through life’s stages to be

able to live and/or grow up in the same community.

2. Increase opportunities for redevelopment to reduce the demand for new extensions of utility lines and services.
3. Encourage the development of sustainable and walkable neighborhoods, where employment, goods, and services can be obtained with less driving.
4. Encourage opportunities for establishing a variety of housing types in keeping with the incomes range of more families.

PLAN ELEMENT 3:

3. An Estimate of City’s Existing Supply of Moderate Income Housing.

The 2017 median household income in Centerville is \$78,438, which is \$7,326 above the area median income (AMI) for Davis County (\$71,112). Given these figures, 6 % of the households in Centerville earn less than or equal to 30 percent of AMI, 7.7 % earn between 30 and 50 % of AMI, 11.1 % earn between 51 and 80 percent of AMI, 12 % earn between 81 and 100 % of AMI, and 63.2 % earn more than 100 % of AMI.

Households that earn a moderate income (80 percent of AMI) or less make up 24.8 percent of Centerville's population.

Housing is considered affordable when households—regardless of their income—spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly income. Based on this definition, 63.7 percent of Centerville's renter households that earn a moderate income or less and 55.8 percent of the city's owner households that earn a moderate income or less are cost burdened, which indicates that Centerville's residents would benefit from additional affordable rental and ownership options.

REVIEW/ANALYSIS:

A. 2017 Estimate of Supply by Mortgage Cost:

AMI	Mortgage Ranges	Count
>100%	>\$308,811	1,658
>80% and <100%	>247,047 and <\$308,811	1,259
>50% and <80%	>\$154,406 and <\$247,047	939
>30% and <50%	>\$92,643 and <\$154,406	30
<30%	<\$92,643	27

Table 3

B. 2017 Existing Supply Synopsis – Using County data for the market rate value of our single family homes, we can see from the table above that Centerville has approximately 939 single family homes within the “moderately affordable income” bracket, between 50% and 80% AMI. This data is based on County assessed value of the home, which is typically *lower* than what it would appear on the market today, so the number of units may, in reality, be less than determined by this data.

Future Policy Considerations – Future decisions about land use planning for the City should consider the following:

1. The housing mix of the Greater Wasatch area will change in the next 20 years (*see publications for state population forecasts*).
2. There will be a rise in senior households (>60 yrs. old) from 21 to 27 percent.

3. Current demographic trends indicate that household size will likely decline in the future.
4. Fewer two-income households will likely be a result of such changing demographics.
5. There will be a demand for housing types needing less maintenance.

PLAN ELEMENT 4:

4. An Estimate of the City’s Future Need of Moderate Income Housing.

In order to estimate the future need of moderate income housing, the Utah Department of Work Force Services has developed a “Five Year Projection Calculator” for “technical assistance to Utah’s local governments in estimating the projected moderate-income housing needs within their geographic jurisdiction over a five-year period.”

The “gap” is the estimated number of moderate-income renter households within our community, the estimated number of built units that are affordable, and the built supply availability. The “future income burden” analysis, is the estimated ratio of median rent (for a family of 4) in our city and an estimated projection to 2024. A cost burden over 30% means the household would be burdened by typical housing costs.

“Keep in mind that this provided tool is limited to a renter-based projection. Such estimates are a function of probability, not absolutes.” However, the data set is being provided and promoted for use by Utah Department of Work Force Services to comply with the requirements of the Moderate Income Housing expectations set by State Statute.

REVIEW/ANALYSIS:

A. Estimate of Current and Future Housing Gap:

2018 Estimated Housing Gap	Renter Households	Available Housing Units	Availability Gap
80% AMI	525	594	+ 69
50% AMI	405	274	- 131
30% AMI	260	20	- 240

Table 4

2024 Estimated Gap Projection	2018 Renter Households	2024 Renter Households	Need Increase Per Gap
≤ 80% AMI	1190	1219	+ 411

Table 5

B. Next Five (5) Years - Future Income Burden Analysis :

Estimated Housing Burden Ratio	2017 Survey	2024 Projection
100 % AMI	15.3%	16.1%
80% AMI	19.0%	20.2%
50% AMI	30.3%	32.3%
30% AMI	50.6%	53.8%

Table 6

Estimated Average Housing Cost Burden	2017 Survey	2024 Projection
Median Mortgage Costs vs. Median Owner Income	20.5%	19.0%
Median Rent Costs vs. Median Renter Income	27.0%	54.1%

Table 7

C. Future Policy Considerations – Future decisions about land use planning for the City should consider the following:

1. Encouraging an open market yield of housing types.
2. Supporting mixed-use or flexible development in selected areas of the city.

Allowing reuse or redevelopment of underutilized lands through flexible development standards, or other similar opportunities.

PLAN ELEMENT 5

Inter-agency Cooperation & Coordination Strategies

Projected Strategy Implementation Next 5 Years

5.A. Demonstrate utilization of a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing

5.A. Implementation: 1-2 years, ongoing
Progress Metric: Evaluate RDA Programs and Annual Budget
Responsible Agency: City's RDA & City Council & Mayor, City Manager

5.B. Demonstrate creation of, or participation in, a community land trust program for moderate income housing

5.B Implementation: 4-5 years, ongoing
Progress Metric: Discuss with Davis County and Local Surrounding Cities
Responsible Agency: City Council & Mayor, Planning Commission, City Manager & Attorney

5.C. Ratify a joint acquisition agreement with another local political subdivision for the purpose of combining resources to acquire property for moderate income housing

5.C. Implementation: 2-4 years
Progress Metric: Discuss with Davis County and Local Surrounding Cities
Responsible Agency: City Council & Mayor, City Manager & Attorney

5.D Apply for or partner with:

5.D.1. An entity that applies for state or federal funds or tax incentives to promote the construction of moderate-income housing,

5.D.1. Implementation: 1-5 years, ongoing.
Progress Metric: Seek Marketplace Opportunities, Research and Contact Qualifying Entities
Responsible Agency: City Council & Mayor, City Manager, Community Development Director

5.D.2. An entity that applies for programs offered by the Utah Housing Corporation within that agency's funding capacity,

5.D.2. Implementation: 1-5 years, ongoing.
Progress Metric: Seek Marketplace Opportunities, Research and Contact Qualifying Entities
Responsible Agency: City Council & Mayor, City Manager, Community Development Director

5.D.3. An entity that applies for affordable housing programs administered by the Department of Workforce Services,

*5.D.3. **Implementation:** 1-5 years, ongoing.
Progress Metric: Seek Marketplace Opportunities, Research and Contact Qualifying Entities
Responsible Agency: City Council & Mayor, City Manager, Community Development Director*

5.D.4. An entity that applies for affordable housing programs administered by an association of governments established by an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act,

*5.D.4. **Implementation:** 1-5 years, ongoing.
Progress Metric: Seek Marketplace Opportunities, Research and Contact Qualifying Entities, Better Understand the Local Cooperation Act
Responsible Agency: City Council & Mayor, City Manager & Attorney, Community Development Director*

5.D.5. An entity that applies for services provided by a public housing authority to preserve and create moderate income housing, or

*5.D.5. **Implementation:** 2-4 years, ongoing.
Progress Metric: Discuss Opportunities with Davis County Housing Authority
Responsible Agency: City Council & Mayor, City Manager, Community Development Director*

5.D.6. Any other entity that applies for programs or services that promote the construction or preservation of moderate-income housing

*5.D.6 **Implementation:** 1-5 years, ongoing.
Progress Metric: Seek Marketplace Opportunities
Responsible Agency: City Council & Mayor, City Manager, Community Developer Director*

PLAN ELEMENT 6

Local Government Regulation and/or
Investment Strategies

6.A. Implement a mortgage assistance program for employees of the county/municipality, an employer that provides contracted services for the county/to the municipality, or any other public employer that operates within the county/municipality

Projected Strategy Implementation Next 5
Years

6.A. Implementation: 1-2 years, ongoing
Progress Metric: Evaluate City Compensation Program and Annual Budget
Responsible Agency: City Council & Mayor, City Manager & Attorney

