

ORDINANCE 2023-03

MODERATE INCOME HOUSING UPDATES

WHEREAS, City Council adopted a Moderate-Income Housing Plan as part of the General Plan on 19 November 2019; and

WHEREAS, recent state legislation has created new criteria which must be met; and

WHEREAS, staff reviewed all the options provided by the state legislature and provided a full list with the most feasible options indicated; and

WHEREAS, Planning Commission held a public hearing on the proposed changes on 11 August 2022 and recommended all five staff recommendations be presented to the Council to make the final decision; and

WHEREAS, Council discussed possibilities in an open meeting on August 23, 2022 narrowed the choices to (B), (E), (F), and (I) as the most viable for South Weber City; and

WHEREAS, Council chose as their final preference strategies (B), (E), and (I); and

WHEREAS, the Department of Workforce Services has reviewed South Weber City's submission and has found that strategy B needed measurable and realistic milestones;


NOW THEREFORE BE IT RESOLVED by the Council of South Weber City, Davis County, State of Utah, as follows:

Section 1. Amendment: South Weber City Moderate-Income Housing Plan: Preserving and Encouraging Moderate Income Housing shall be amended as attached in Exhibit 1.

Section 2: Repealer Clause: All ordinances or resolutions or parts thereof, which are in conflict herewith, are hereby repealed.

Section 3. Effective Date. The City Council of South Weber City, State of Utah, has determined that the public health, safety, and welfare requires that this ordinance take effect immediately. Therefore, this ordinance shall become effective immediately upon passage and publication as required by law.

PASSED AND ADOPTED by the City Council of South Weber, Davis County, on the 7th day of February 2023.


MAYOR: Rod Westbroek




ATTEST: City Recorder, Lisa Smith

| Roll call vote is as follows: | | |
|-------------------------------|-----|---------|
| Council Member Halverson | FOR | AGAINST |
| Council Member Soderquist | FOR | AGAINST |
| Council Member Petty | FOR | AGAINST |
| Council Member Alberts | FOR | AGAINST |
| Council Member Dills | FOR | AGAINST |

CERTIFICATE OF POSTING

I hereby certify that Ordinance 2023-03 was passed and adopted the 7th day of February, 2023 and that complete copies of the ordinance were posted in the following locations within the City this 8th day of February 2023.

1. South Weber Elementary, 1285 E. Lester Drive
2. South Weber Family Activity Center, 1181 E. Lester Drive
3. South Weber City Building, 1600 E. South Weber Drive


Lisa Smith, City Recorder

South Weber City Moderate Income Housing Plan 2019

A Part of the South Weber General Plan Amended 02.07.2023

WHAT IS MODERATE INCOME HOUSING

In accordance with section 10-9a-403 Utah Code Annotated, South Weber is providing reasonable opportunities for a variety of housing including housing which would be considered moderate income housing to meet the needs of people of various income levels living, working, or desiring to live or work in the community, and to allow people with various incomes to benefit from and fully participate in all aspects of neighborhood and community life.

Moderate income housing is defined in the Utah Code as:

Housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.

According to this definition, any dwelling occupied by an individual or family with income equal to or less than 80% of the median income of the county would qualify as moderate-income housing, regardless of the circumstances under which the dwelling is occupied. For instance, it could be that the house was inherited and though valued at something far more than a family of moderate income could afford to purchase; it is, nevertheless, occupied by a family whose income is below 80% of the regional median. That house, therefore, is a moderate-income house by definition. The same could be said for homes that have been in the same ownership for a long time and for which the mortgage was established prior to many years of inflation and rising housing costs. The occupants might be able to afford what, if mortgaged today, would be far out of their financial reach.

This type of Moderate-Income Housing is the least quantifiable type. Without extensive surveys and analysis of household incomes and home values, we have no way of

knowing what existing single-family housing units fall into this category. We can, however, deduce how many of this kind of dwelling units there are. According to the U.S. Census Bureau 24% of South Weber Residents fall into the moderate-income category. We know that approximately 5% of existing housing is currently being rented at a rate that would qualify it as moderate-income housing. This tells us that 79% of the current moderate-income households are in dwellings of this type.

WHAT IS MODERATE-INCOME IN SOUTH WEBER:

According to the U.S. Census Bureau, the 2017 median household income for Davis County is \$75,961 (\$95,000 for South Weber City). Eighty percent of that County median income is then \$60,768. Information extrapolated from the Utah Affordable Housing Manual indicates that a household with this income level could afford to purchase a dwelling which has a maximum purchase price of 3.1 times the annual income. In the case of South Weber that translates **to a maximum purchase price of \$188,380**. The same manual indicates that 27% of the monthly income could be spent on rent which would mean a **maximum monthly rent of \$1,367**.

PRESERVING AND ENCOURAGING MODERATE INCOME HOUSING:

There are many factors that affect the cost of housing. It is the duty and responsibility of the City to take necessary steps to encourage moderate income housing.

Utah Code Annotated 10-9a-403 (2) (b) (iii) requires the City to choose at least three from a list of 23 ways, A through W, in which it can and will pursue the encouragement of moderate-income housing in the next five years. South Weber chooses the following:

(B) Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate-income housing.

Implementation Plan:

Winter 2023 – Adoption of Transportation Master Plan

Spring 2023 – Adoption of Water Capital Facilities Plan

Summer 2023 – Adoption of Sewer Capital Facilities Plan

Summer 2023 – Update Storm Water Capital Facilities Plan

Winter 2024 – Begin Process of updating City’s General Plan looking at areas of moderate-income housing and the impact to the infrastructure associated with those areas.

Fall 2024 – Adopt Updated General Plan with infrastructure needs.

(E) Create or allow for, and reduce regulations to, internal or detached accessory dwelling units in residential zones.

Implementation Plan:

Fall 2022 - Study options for allowing detached accessory dwelling units.

Winter 2023 - Discuss with City Council and Planning Commission the options that are available to allow detached accessory dwelling units.

Spring 2023 - Begin crafting a draft ordinance for detached accessory dwelling units.

Spring 2023 - Take the draft ordinance through the process.

(I) Amend land use regulations to allow for single occupancy developments.

Implementation Plan:

Complete July 2023 – Study residential zones for the inclusion of single occupancy developments as a permitted use.

Begin Winter 2023 – Determine other guiding materials and code that would be necessary to regulate single occupancy developments for South Weber City.

Begin Spring 2024 – Study locations to designate within the City’s general plan for this use.

Complete Spring 2025 – Draft Ordinance for Planning Commission and City Council review and approval.

MODERATE-INCOME HOUSING NEEDS:

An analysis the existing housing and household incomes using available information leads to some reasonable conclusions as to need.

| | |
|--------------------------------------------------------|----------|
| Number of Dwelling Units 2017 | 1724 |
| 2017 Population | 7310 |
| Persons Per Household 2017 | 4.24 |
| 2017 Median Davis County Annual Household Income | \$75,961 |
| 2017 Annual Household Moderate Income | \$60,768 |

Once again by extrapolating from information contained in the Utah Affordable Housing Manual, we find that a household with this income level could afford a mortgage of approximately 3.1 times the annual income or could afford to spend 27% of their monthly income on rent.

| | |
|------------------------------|----------------------------------------------|
| Maximum Purchase Price | $\$60,768 \times 3.1 = \$188,380$ |
| Maximum Monthly Rent | $\$60,768/12 = \$5,064 \times .27 = \$1,367$ |

It appears that rental units are the most attainable type of new moderate-income housing likely to be established in South Weber. There are currently 87 rental units in the City, 60 being in one apartment complex and the rest are basement type apartments. Rental units comprise 5% of the existing housing stock in the City.

As previously stated, 79% of current moderate-income households are residing in existing single-family dwellings; 326 dwelling units. It is reasonable to expect that, as existing residents age in-place (stay in their current homes as they move into higher

age categories), there will be a significant number of owner-occupied dwellings that transition into moderate-income housing. The number of dwellings that will do this is difficult to predict, but if the current percentages persist, there would be an additional 257 additional owner-occupied dwellings move into moderate-income status within the next 20 years for a total of 583 such dwellings.

It is estimated there will be a total of 3,076 dwelling units in South Weber at build-out. If 24% of them are moderate-income, there will be 738 such units. There are currently 87 rental units and 326 owner occupied moderate-income households; a total of 413 units. Of a total build-out need for 738 moderate-income units, 413 are existing and an expected 257 additional units will be owner occupied. This means there will be a need for an additional 68 rental units at build-out in 20 years. That would be an additional 17 rental units needed in the next five years.

RECOMMENDATIONS:

If current trends continue, owner-occupied housing, both single-family and multi-family dwellings, will be the primary type of moderate-income housing. Multi-family rental units will play a smaller part in meeting future demand.

It is a given that South Weber will need to increase its stock of moderate-income housing as the population grows. It seems likely that the bulk of the future demand will be met by existing dwellings as the occupants age in-place. There will be a limited demand for rental type dwellings. It is very realistic to believe the City will be able to accommodate the estimated need of 68 additional rental units.

It is recommended that South Weber continue to support the existing moderate-income housing by finding appropriate locations for the needed rental units.