MEMO

To: Mayor Olson and City Council

From: Ryan Harris, Senior Planner

Date: February 4, 2025

Re: Amendment to the General Plan (Moderate Income Housing Plan)

The Utah State Legislature mandates that cities update their Moderate-Income Housing Plan (MIHP) to include strategies from a predefined list of options, along with a plan for implementing each strategy (see Utah Code Annotated 10-9a-408). The MIHP must detail the proposed strategies, along with a timeline and implementation plan for each.

This year, city staff has developed six strategies, from which five need to be selected. Two strategies offer several options to choose from. Specifically, Strategy One has four options, and Strategy Six has two options. The draft amendment outlines the proposed strategies and the implementation plan for each.

The Planning Commission reviewed the six strategies on January 28, 2025, and made the following motion.

<u>Motion:</u> Commissioner Weight made a motion to recommend approval of the proposed update of the Moderate-Income Housing Plan of the General Plan and recommend approval of strategies1 through 5, as well as option #1 included in strategy 1. Commissioner Moak seconded the motion.

Commissioner Hoffman, yes; Commissioner Moak, yes; Commissioner Nixon, yes; Commissioner Romero, Absent; Commissioner Tolman, yes; Commissioner Weight, yes; Commissioner Wood, yes. The motion passed.

Motion: "Motion to approve Ordinance 02-03-2025, an ordinance updating the Moderate-Income Housing Plan of the General Plan and approve the implementation of the following strategies _____."

Attachment:

1. Moderate-Income Housing Plan of the Santaquin City General Plan



ORDINANCE NO. 02-03-2025

AN ORDINANCE AMENDING THE MODERATE-INCOME HOUSING PLAN OF THE GENERAL PLAN OF SANTAQUIN CITY, PROVIDING FOR CODIFICATION, CORRECTION OF SCRIVENER'S ERRORS, SEVERABILITY, AND AN EFFECTIVE DATE FOR THE ORDINANCE.

WHEREAS, the City of Santaquin is a fourth-class city of the state of Utah; and

WHEREAS, the state legislature requires that a municipality shall prepare and adopt a comprehensive, long-range general plan for the present and future needs of the municipality and the growth and development of all or any part of the land within the municipality; and

WHEREAS, the state legislature requires that a municipality shall prepare a moderate income housing plan and that strategies be selected and an implementation plan be prepared that promote moderate income housing within the municipality; and

WHEREAS, an amendment is prepared to adjust some strategies and update the benchmarks and timelines for implementation to ensure compliance with state requirements; and

WHEREAS, the Santaquin City Planning Commission held a public hearing on January 28, 2025, which hearing was preceded by the posting of public notice in at least three public places within the City limits of Santaquin City in accordance with Section 10-9a-204 of the Utah State Code; and

WHEREAS, after the noted public hearing, the Santaquin City Planning Commission forwarded a recommendation to the City Council;

NOW, THEREFORE, BE IT ORDAINED by the City Council of Santaquin City, State of Utah, as follows:

Section I. Amendment of General Plan

The attached Moderate-Income Housing Plan of the General Plan is hereby amended (underlined text is added, stricken text is deleted).

Section II. Severability

If any part of this ordinance or the application thereof to any person or circumstances shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, such judgment shall not affect, impair of invalidate the remainder of this ordinance or the application thereof to other persons and circumstances, but shall be confined to its operation to the section, subdivision, sentence or part of the section and the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the City Council that this section would have been adopted if such invalid section, provisions, subdivision, sentence or part of a section or application had not been included.

Section IV. Codification, Inclusion in the Code, and Scrivener's Errors

It is the intent of the City Council that the provisions of this ordinance be made part of the Santaquin City Code as adopted, that sections of this ordinance may be re-numbered or re-lettered, and that the word ordinance may be changed to section, chapter, or other such appropriate word or phrase in order to accomplish such intent regardless of whether such inclusion in a code is accomplished. Typographical errors which do not affect the intent of this ordinance may be authorized by the City without need of public hearing by its filing a corrected or re-codified copy of the same with the City Recorder.

Section IV. Posting and Effective Date

This ordinance shall become effective at 5:00 p.m. on Wednesday, February 5, 2025. Prior to that time, the City Recorder shall deposit a copy of this ordinance in the official records of the City and place a copy of this ordinance in three places within the City.

PASSED AND ADOPTED this 4th day of February 2025.

	Daniel M. Olson, Mayor		
	Councilmember Art Adcock	Voted _	
	Councilmember Brian Del Rosario Councilmember Lynn Mecham	Voted Voted	
	Councilmember Lyfff Nicenam Councilmember Jeff Siddoway	Voted	
	Councilmember Travis Keel	Voted _	
ATTEST:			
Amalie R. Ottley, City Recorder			

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

I, AMALIE R. OTTLEY, City Recorder of Santaquin City, Utah, do hereby certify and declare that the above and foregoing is a true, full, and correct copy of an ordinance passed by the City Council of Santaquin City, Utah, on the 4th day of February 2025, entitled

"AN ORDINANCE AMENDING THE MODERATE-INCOME HOUSING PLAN OF THE GENERAL PLAN OF SANTAQUIN CITY, PROVIDING FOR CODIFICATION, CORRECTION OF SCRIVENER'S ERRORS, SEVERABILITY, AND AN EFFECTIVE DATE FOR THE ORDINANCE."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of Santaquin City Utah this 4th day of February 2025.

Amalie R. Ottley Santaquin City Recorder

(SEAL)

AFFIDAVIT OF POSTING STATE OF UTAH) ss. COUNTY OF UTAH I, AMALIE R. OTTLEY, City Recorder of Santaquin City, Utah, do hereby certify and declare that prior to the ordinance taking effect, I posted a short summary of the ordinance on the Utah Public Notice Website as required by Utah State Code 10-3-711(1)(b) as a Class A Notice and Santaguin City Code 1-2-050(D) I further certify that copies of the ordinance were posted online at www.santaquin.org, at the City Hall Building at 110 S. Center Street and on the State of Utah's Public Notice Website, https://www.utah.gov/pmn/index.html. A copy of the notice may also be requested by calling (801)754-1904. AMALIE R. OTTLEY Santaquin City Recorder The foregoing instrument was acknowledged before me on this day of 2024, by AMALIE R. OTTLEY.

Notary Public

My Commission Expires:



The Utah Municipal Code, 10-9a-403(2)(a)(iii) requires that all cities adopt a Plan for "Moderate Income Housing" as part of their General Plan. Section 10-9a-403(2)(b) of the Utah Municipal Code, outlines three issues that must be addressed in the Moderate Income Housing Plan. The three issues that must be addressed are: 1) municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing; 2) an analysis of how the municipality will provide a realistic opportunity for the development of moderate income housing within the next five years; and 3) shall include a recommendation to implement three or more strategies found in 10-9a-403(2)(b)(iii) of the Utah Municipal Code.

I. Current Moderate-Income Population

Moderate income housing is defined by the Utah State Code 10-9a-103(38) 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."

The U. S. Census Bureau lists the median household income in Utah County in 20224 as \$96,000\$109,500. Information from the U.S Department of Housing and Urban Development (HUD) indicates that based on the size of the household, an income level of \$54,450 - \$98,900 \$61,050 - \$115,150 could still be considered a low-income household. For example, a household with 4 people making less than \$80,900 \$87,200 is considered having a low income.

Table 1: Low Income Levels Based on Household Size.

	Household Size							
Income Levels	1	2	3	4	5	6	7	8
Low (80%) Income	\$52,450	\$59.950	\$67.450	\$74,900	\$80,900	\$86,900	\$92,900	\$98,900
Limits	\$61,050	\$69,750	\$78,500	\$87,200	\$94,200	\$101,200	\$108,150	\$115,150
Very Low (50%) Income	\$32,800	\$37,450	\$42,150	\$46,800	\$50,550	\$54,300	\$58,050	\$61,800
Limits	\$38,150	\$43,600	\$49,050	\$54,500	\$58,900	\$63,250	\$67,550	\$71,980
Extremely Low (30%)	\$19,700	\$22,500	\$25,300	\$28,100	\$32,470	\$37,190	\$41,900	\$46,630
Income Limits	\$22,900	\$26,200	\$29,450	\$32,700	\$36,580	\$41,960	\$47,340	\$52,720

Source: Information obtained from US Housing and Urban Development Income Limits Documentation System 2024(www.huduser.org)

Santaquin's population per the United States Census in 201020 was 9,128 13,725 and the population estimate for 202030 was is 13,725 21,218. That is an increase of 4,597 7,493 residents in ten years. Each year, HUD receives custom tabulations of the American Community Survey 5-Year Estimate (ACS) from the Census Bureau. This data is known as the Comprehensive Housing Affordability Strategy (CHAS). This data demonstrates the



extent of housing problems and needs, particularly for low income households. Table 2 categorizes household income levels by Area Median Income (AMI) using the statistics for CHAS. This table illustrates the number of Santaquin households whose total income falls within each income bracket.

Table 2: Households by Income Level 201821

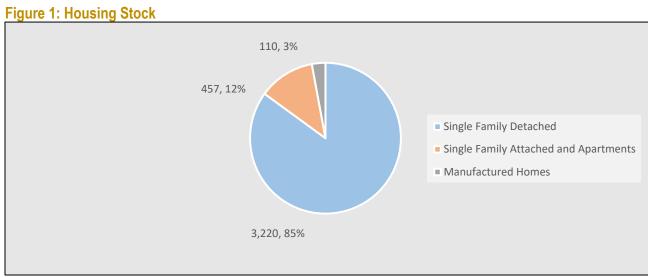
AMI Income Level	Households	% of Households
100% AMI	1510 - <u>1,720</u>	53 - <u>48</u> %
80% AMI	895 <u>1,545</u>	32 <u>43</u> %
50% AMI	325 - <u>220</u>	<u>11 6</u> %
30% AMI	100 - <u>125</u>	4 3%

Source: Information obtained from US Housing and Urban Development Comprehensive Housing Affordability Strategy 201821 (www.huduser.org)

A low income is considered to be 80% of the AMI. In 201821, there are 1,320 1890 households in Santaquin with a household income categorized as low income to extremely low income. The households that earn just 30% of the AMI find it very difficult to live within the affordable housing guidelines since they cannot afford average market rental rates. It is vital to the well-being of the community that households of all income levels have affordable housing options.

II. Current Housing Stock

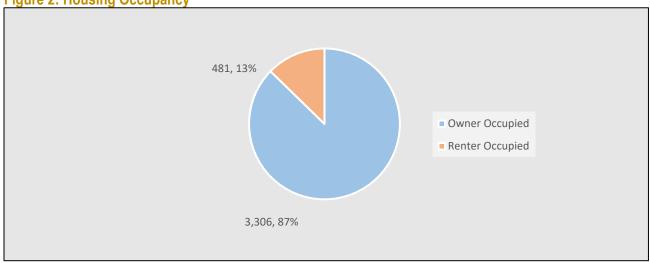
In 2020 2022, Santaquin had 2,759 3,220 detached single-family residences, 393 457 attached single family or apartment units, and 420 110 manufactured homes. These numbers combine for a total of 3272 3,787 dwelling units. The majority of dwelling units in Santaquin were owner-occupied. There were 2,768 3,306 owner occupied units, 478 481 renter occupied units and 26 vacant units.



Source: US Census Bureau's American Community Survey, 2020 (www.factfinder.census.gov)



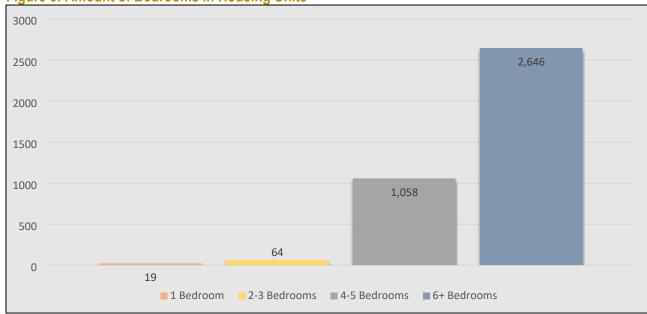




Source: US Census Bureau's American Community Survey, 2020 2022 (www.factfinder.census.gov)

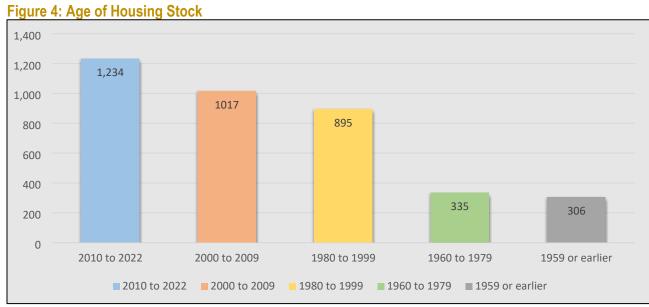
There are <u>43_19</u> dwelling units that have <u>no one</u> bedrooms and <u>41_64</u> dwellings with <u>onetwo-three</u> bedrooms. The majority of housing units have <u>34</u>+ bedrooms. Approximately <u>53_59</u>% of the housing stock in Santaquin was built in 2000 or later and <u>41_8</u>% built before 1959.

Figure 3: Amount of Bedrooms in Housing Units



Source: US Census Bureau's American Community Survey, 2020 (www.factfinder.census.gov)





Source: US Census Bureau's American Community Survey, 2017 2022 (www.factfinder.census.gov)

III. Housing and Rent Affordability

Affordability of housing units is determined by AMI and the amount a household at each income level can afford. Housing is considered affordable by State and Federal definition when a household spends no more than 30% of their annual income on housing expenses, including mortgage or rent and utilities. Households that spend more than 30% of their monthly income on housing expenses are considered cost-burdened.

In 2019 2024, the AMI for Utah County was \$96,000\$109,500 or \$8,000 \$9,125 a month. Based on these numbers, mortgage or rent and utilities should be no higher than \$2,400 \$2,737 per month for the unit to be considered affordable.

The Moderate-Income Housing Plan is created to ensure that housing is affordable for all income levels. The same affordability standards apply to all income levels. For example, a household that makes 80% of the AMI, which is \$76,800 \$87,600 or \$6,400 \$7,300 a month, can spend \$1,920 \$2,190 on mortgage or rent and utilities.

The table below summarizes the maximum monthly affordable housing costs for various income levels in Santaquin. The estimated maximum mortgage loan amount in the table below is based on a 30-year fixed rate loan at 5.5% interest and a 10% down payment and a monthly utility bill of \$350.



Table 3: Affordability Summary 2019

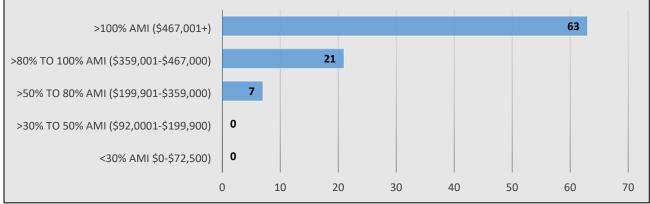
Household	Yearly Income	Monthly	Monthly Housing	Max. Mortgage
Income		Income	Expenses	Loan Amount
100% AMI	\$96,000	\$8,000	\$2,400	\$400,000
	\$109,500	\$9,125	\$2,737	\$467,000
80% AMI	\$76,800	\$6,400	\$1,920	\$308,000
	\$87,600	\$7,300	\$2,190	\$359,000
50 % AMI	\$48,000	\$4,000	\$1,200	\$168,000
	\$54,750	\$4,562	\$1,368	\$199,900
30% AMI	\$28,800	\$2,400	\$720	\$72,500
	\$32,850	\$2,737	\$821	\$92,000

Source: Information obtained from US Housing and Urban Development Income Limits Documentation System 2020 (www.huduser.org)

Research conducted on utahrealestate.com and homes.ksl.com Zillow.com indicate that there were 26 91 homes for sale in Santaguin as of May December 20224. Of the 26 91 homes available, 7 units are affordable to moderate income households and there are 0 homes available to low-income households.

There were 5 26 properties listed for rent on zillow.com KSL.com and rentler.com. Of the 5 26 properties available for rent, 4 20 was available to moderate income households and 4 were available to low-income households.

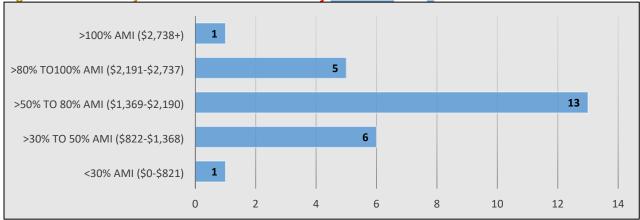




Source: utahrealestate.com, homes.ksl.com, May December 20224



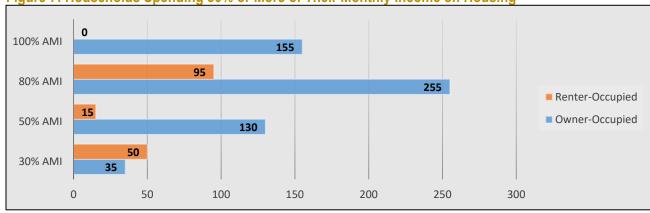
Figure 6: Affordability of Available Rental Units May December 20224



Source: Zillow.com, Rentler.com, May December 20224

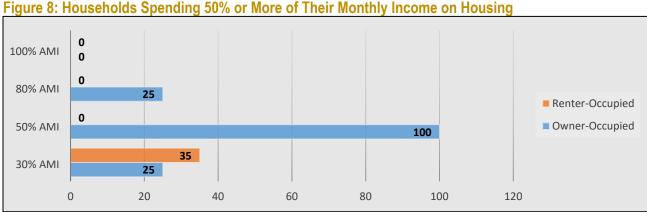
The two figures below show the owner-occupied and renter-occupied households that are spending 30% or 50% of their monthly income on housing.

Figure 7: Households Spending 30% or More of Their Monthly Income on Housing



Source: Comprehensive Housing Affordability Strategy 201821 (huduser.gov)





Source: Comprehensive Housing Affordability Strategy 201821 (huduser.gov)

IV. Evaluation of How Existing Land Uses and Zones Affect Opportunities for Moderate **Income Housing**

Santaguin's affordable housing is primarily clustered near the center of town. This is primarily due to the zoning regulations that are in place and the age of the housing stock in this area. Some affordable housing is also found in newer, larger homes, where accessory apartments are located. Santaguin's zoning regulations allow for more affordable housing to get built in areas which are more readily serviced by public transit, services, and amenities.

Zoning around Main Street allows for multi-unit housing and even encourages more housing opportunities near the Central Business District. These areas are serviced by public transit and are within walking distance to businesses.

Most of the older homes in the core area include 2-3 bedroom structures on large lots. Santaguin allows for redevelopment and infill reduction standards within the core area of town to increase the amount of new affordable housing stock in the area. The infill reduction may allow-for the square footage of the lot and the lot frontage to be reduced by 20% from what the underlying zone requires. This always for smaller more affordable lots and homes.

Other affordable units in the city are accessory dwelling units. They are sought by single person households and young families with limited incomes and older individuals, who also benefit from these units, since the rental income helps subsidize their retirement incomes.



Attached accessory dwelling units are allowed in every residential zone in Santaquin. Detached accessory dwelling units are allowed in the R-8 Residential zone.

Santaquin also encourages higher densities within typical single-family zones by doing a Planned Unit Development (PUD). A PUD allows for additional multi-family and "starter home" dwellings. With the approved PUD's in the City, there will continue to be multi-family and starter home dwellings for the foreseeable future.

V. Santaquin's Program to Encourage Moderate Income Housing for the Next Five Years

Providing a mix of residential densities, both in housing and parcel size throughout the community can stabilize home values, draw a variety of households to the City, and increase economic potential. Knowing this, Santaquin has zoning regulations near downtown that allows for more infill and high density developments where infrastructure is readily available. This directed growth will likely consist of smaller lots or higher density developments, which helps provide housing opportunities not readily available to those with extremely low income. It will also increase economic development potential and local business support in the downtown area. Areas which have not been developed yet or are currently in agriculture operations are slated for low density development (e.g. ranchettes, farmsteads) for those seeking larger properties and animal rights. Other lands within current developments are also being reserved for housing of attached single family homes or large lot estate homes. All of these efforts will strengthen the housing market around Santaquin while maintaining the affordability of homes.

Providing high density residential areas in strategic locations will be a priority. The objectives of establishing high density residential areas is to provide a residential environment within the city which is characterized by dwellings that may include attached and detached singlefamily homes, patio homes, townhomes or row-houses, duplex and apartments. These areas are situated to take advantage of existing public infrastructure, e.g. recreation facilities, utilities, services, schools and shopping centers. Proximity to these uses allows more community interaction with reduced dependence on automobiles with neighborhoods that are designed for walkability. Providing more density in these areas allows for development of properties with unique limitations due to size, configuration, location or price. These areas serve to recapture tax base opportunities lost by larger lot single family developments and increase the viability of commercial areas. The design of high density areas should integrate high quality materials and building character with integration to existing neighborhoods rather than create isolated and walled off housing projects. Allowing for more varied housing opportunities in the area can meet the needs of many levels of economic and demographic characteristics within the city, including young single professionals, recently married couples and elderly or retire couples or individuals that prefer less house size and less maintenance responsibilities

The following strategies and their corresponding implementation plans should be considered as the City reviews future residential development proposals



STRATEGIES AND IMPLEMENTATION PLANS:

Strategy 1 (E)

Option 1

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

Implementation Plan – Efforts will be made to provide an educational resource to the public so that the individual and community benefits of accessory dwelling units can be better understood. This will be accomplished by hosting an open house where residents can learn from City staff and local experts about the things that need to be done to construct an accessory dwelling unit on their property. Santaquin City will consider modifying zoning regulations to expand the area where detached accessory dwelling units are permitted. Considerations to permit detached accessory dwelling units in the R-15 Zone will be reviewed by the Planning Commission and City Council.

Benchmarks and Timeline – Coordination with local experts and other resources will start in the first few months of 2024 with an anticipated open house to occur in the late spring. Notices about the open house will be posted around the city and through various other means. Notification letters will also be sent to real property owners that are within a zone that allow accessory dwelling units. A legislative process will be initiated to consider permitting detached accessory dwelling units in the R-15 Zone before June 1, 2025. Possible action will be implemented before August 1, 2025.

Strategy 1 (E)

Option 2

<u>Create or allow for, and reduce regulations related to, internal or detached</u> accessory dwelling units in residential zones.

Implementation Plan – Santaquin City will consider modifying the setback requirements for a Detached Accessory Dwelling Unit (DADU) and changing the definition of a rear yard to make it easier to install a DADU.

Benchmarks and Timeline – Santaquin City starting a discussing to reduce the setback requirements for a Detached Accessory Dwelling Unit (DADU) and changing the definition of a rear yard to make it easier in install a DADU in the fall of 2024. These discussions will continue in the first few months of 2025. A legislative process will be initiated by June 1, 2025. Possible action will be implemented before August 1, 2025.



Strategy 1 (E)

<u>Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.</u>

Option 3

Implementation Plan – Efforts will be made to provide an educational resource to the public so that the individual and community benefits of accessory dwelling units can be better understood. This will be accomplished by hosting an open house where residents can learn from City staff and local experts about the things that need to be done to construct an accessory dwelling unit on their property.

Benchmarks and Timeline – Coordination with local experts and other resources will start in the first few months of 2025 with an anticipated open house to occur before August 1, 2025. Notices about the open house will be posted around the city and through various other means. Notification letters will also be sent to real property owners that are within a zone that allow accessory dwelling units.

Strategy 1 (E)

<u>Create or allow for, and reduce regulations related to, internal or</u> detached accessory dwelling units in residential zones.

Option 4

Implementation Plan – Santaquin City will discuss implementing a code amendment that allows a special use permit for accessory dwelling units. The permit will allow accessory dwelling units in restricted zones.

Benchmarks and Timeline - A legislative process will be initiated by June 1, 2025. Possible action will be implemented before December 1, 2025.

Strategy 2 (L)

Reduce, waive, or eliminate impact fees related to moderate income housing.

Implementation Plan – Santaquin City will work with third-party financial, engineering, and planning firms as each Santaquin City master plan is updated over the next five years to study utility efficiencies from accessory dwelling units which could proportionately reduce impact fees for accessory dwelling units. The City will start asking for this data in their request for proposals (RFP) and consider modifications to impact fees upon completion of each master plan update, accordingly.

Benchmarks and Timeline – In 2023, the Parks, Recreation, Trails, and Open Space (PRTOS) Santaquin City will start the process of updating



the Storm Drain Master Plan before August 1st, 2025. was completed and the The City will work with a financial consultant to determine an appropriate amount to reduce the associated impact fees. The City Council will consider an amendment to the Fee Schedule to reduce the applicable impact fees in first few months of 2024 before August 1, 2026.

Strategy 3 (Z)

Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers. Demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing.

Implementation Plan – Santaquin City will work with landowners, developers, or builders to develop and/or redevelop property that is that is near commercial or mixed use areas. Santaquin City officials will identify specific areas for consideration and will proactively contact property owners to explore opportunities. Santaquin City will consider modifying zoning regulations to reduce the minimum square footage requirements for various residential unit sizes in the Main Street Commercial (MSC) Area in the Main Street Business Districts (MSBD) zone.

Benchmarks and Timeline – Santaquin City Officials identify strategic areas and contact property owners in those identified areas to discuss the potential of rezoning property to facilitate moderate-income residential developments. Discussions and planning will take place before August 1, 2024. A legislative process will be initiated by June 1, 2025. Possible action will be implemented before August 1, 2025.

Strategy 4 (B)

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

Implementation Plan – Santaquin City will start work on expanding the City's Water Reclamation Facility (WRF). This work will allow for the City to maintain relatively lower sewer fees that are charged to all residents, including those who live in or desire to live in moderate income housing. To demonstrate the benefit of the expansion of the



WRF, the City will gather sewer rate data from nearby communities to compare to Santaquin City's sewer rates.

Benchmarks and Timeline – In the first few months of 2024, Tthe Santaquin City Council will initiated a contract to start the design of the next phase of the expansion of the WRF. Santaquin City will vote on approving the construction cost to upgrade the WRF before August 1, 2025 and construction will start before August 1, 2026.

Strategy 5 (J)

Implement zoning incentives for moderate income units in new developments.

Implementation Plan – Santaquin City will consider modifying zoning regulations to reduce the minimum square footage requirements for various residential unit sizes in the Main Street Business Districts (MSBD) zone. to allow an increase in density within a PUD by six percent (6%) if ten percent (10%) of the units are built to the minimum unit size.

Benchmarks and Timeline – A legislative process will be initiated by July 1, 2024 2025. Possible action will be implemented by August ,1 2024 2025.

Strategy 6 (F)

Option 1

Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.

Implementation Plan – Santaquin City will work with landowners, developers, or builders to rezone property that is near commercial or mixed use areas.

Benchmarks and Timeline – Santaquin City will work with landowners, developers, or builders to rezone property that is near commercial or mixed-use areas. Discussions and planning will take place before August 1, 2025.

Strategy 6 (F)

Option 2

Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers.

<u>Implementation Plan – Santaquin City will work with a landowner to rezone property in the R8 zone to the MSR zone.</u>



Benchmarks and Timeline – Santaquin City will work with landowners, developers, or builders to rezone property that is near commercial or mixed-use areas. Discussions and planning will take place before August 1, 2025.