IV. Moderate Income Housing Element

A. Introduction

Moderate income housing has become a state-wide concern in Utah. To address this concern, the state has directed municipalities to adopt plans for "housing occupied or reserved for occupancy by households with a gross household income equal to or less than eighty percent (80%) of the median gross income for households of the same size in the county in which the city is located." These plans are required to include:

1. an estimate of the existing supply of moderate income housing located within the city;
2. an estimate of the need for moderate income housing located within the city;
3. an estimate of the need for moderate income housing in the city for the next five years as revised biennially;
4. a survey of total residential land use;
5. an evaluation of how existing land uses and zones affect opportunities for moderate income housing; and
6. a description of the city's program to encourage an adequate supply of moderate income housing (Utah Code 10-9a-103).

These requirements are shown below. With the Utah County median annual income being $65,100 (HUD), the eighty percent (80%) baseline would be set at $52,080 annually. Using this and the Affordable Housing Model from Mountainland Association of Governments, we will determine the need for and availability of moderate income housing in Spanish Fork City.

Figure 1 – Affordable Housing Supply & Affordability Gap by HUD AMI – Spanish Fork (May 2010)		Affordable Shelter Cost			Number of Households (2010)	Number of DU (2010)	Affordable Housing Supply		
		Owned		Rent			Current (2010)	5 Years (2015)	10 Years (2010)
		Single-family	Multi-family						
30% of Median	Up to $19,530	$77,000	$54,000	$488	1,112	5	(1,107)	(1,318)	(1.541)
fifty percent (50%) of Median	Between $19530 and $32,550	$131,000	$108,000	$814	940	417	(523)	(669)	(823)
sixty percent (60%) of Median	Between $32,550 and $39,060	$159,000	$136,000	$977	490	989	499	482	466
eighty percent (80%) of Median	Between $39,060 and $52,080	$213,000	$190,000	$1,302	1,051	2,722	1,671	1,682	1,697
Median	Between $52,080 and $65,100 (median)	$268,000	$245,000	$1,628	1,037	2,386	1,349	1,337	1,327
120% of Median	Between $65,100 and $78,120	$322,000	$299,000	$1,953	906	784	(122)	(233)	(350)
More	More				2,451	982	(1,469)	(1,858)	(2,269)

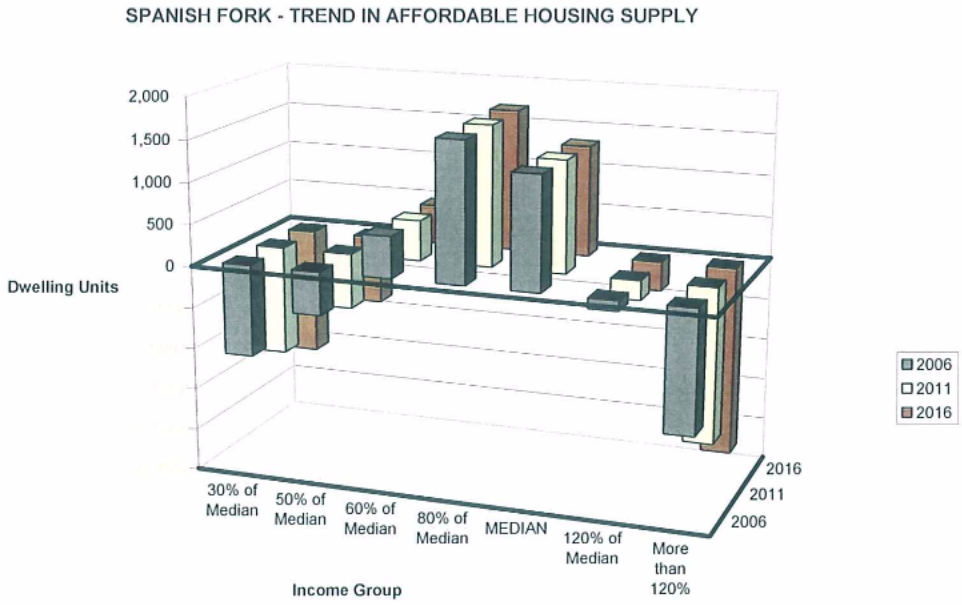
than 120%	than $78,120								
Total					7,988	8,285	297	(577)	(1,494)

B. Estimate of Existing Supply

According to our Model, using 2007 data from the County Assessor's Office and 2006 data from the Utah State Tax Commission, Spanish Fork City has 1,501 families earning between sixty-one percent (61%) and eighty percent (80%) of median gross income, and 2,722 dwelling units in their price range, for a surplus of 1,671 units. The City also has a surplus of 499 units for those earning sixty percent (60%) of median gross income, for a total surplus of 2,170 affordable units or 26% of the existing units in the City (see Fig. 1).

The Model shows a bell-shaped trend, where those with both the highest and the lowest incomes have a deficit of housing and those in the middle have a surplus (see Fig. 2). The model shows these trends becoming more pronounced in the future.

Figure 2



	30% of Median	50% of Median	60% of Median	80% of Median	MEDIAN	120% of Median	More than 120%
2006	(1,107)	(523)	499	1,671	1,349	(122)	(1,469)
2011	(1,318)	(669)	482	1,682	1,337	(233)	(1,858)
2016	(1,541)	(823)	466	1,697	1,327	(350)	(2,269)

C. Estimate of the Need for Moderate Income Housing for the Next Five Years

Spanish Fork City has experienced unprecedented growth during the last decade. That growth is expected to continue as development and annexation allow more people to move into the City. As this growth continues, the City anticipates taking steps to ensure that people of all income groups will have the ability to live in Spanish Fork City.

The Model shows that housing for those earning eighty percent (80%) of median gross income is the City's largest group, and it is expected to continue to grow over the next five years. The surplus for those earning sixty percent (60%) of median gross income is expected to shrink, but will still remain in five years.

However, as mentioned above, the predictions of the model show current trends becoming more pronounced, in that the deficits of housing for the lowest income groups will become more pronounced, as will the deficits for those in the highest income groups.

D. Survey of Residential Land Uses

Spanish Fork City has thirteen residential land use districts, one residential overlay district, and two commercial districts which allow residential uses.

The Exclusive Agriculture (A-E) and Rural Residential (R-R) zones are intended for single-family homes on large lots with animal rights that are generally used for farming. While the A-E zone is intended for the areas with soils most conducive to farming and areas that may have limitations on other types of development such as floodplain issues, the R-R zone also functions as a holding zone for areas that may be developable in the future.

The R-1-80, R-1-60, R-1-40 and R-1-30 zones are intended for large-lot, single-family homes that are in a rural atmosphere and may have animal rights.

The R-1-20, R-1-15 and R-1-12 zones are for low-density single-family neighborhoods with a suburban feel. Though the lots on these properties are still fairly large, they do not qualify for animal rights.

The R-1-9 and R-1-8 zones provide for a medium-density, single-family suburban atmosphere.

The R-1-6 zone provides for a medium-high density, single-family atmosphere. In certain situations, more than one single-family home can be allowed per lot, as will be explained below. Most of the original plat of the City is zoned R-1-6.

The R-3 zone is the highest density zone in the City, and allows for single-family development. In certain situations, more than one single-family home or multi-family housing can be allowed on a lot, as will be explained below. The R-3 zone is mostly located within the blocks surrounding the commercial areas along Main Street and a few other areas in the City.

The Residential Office (R-O) zone is a mixed-use zone that allows for both residential and office uses. In this zone, single-family homes (including more than one home per lot) and duplexes are allowed.

The In-Fill Overlay (I-F) zone can be applied to projects in the R-1-6 and R-3 zones. In the R-1-6 it will allow for more than one home per lot, while in the R-3 zone it allows for twin homes, duplexes, triplexes and fourplexes. The I-F zone requires that developments conform in materials and style to the surrounding neighborhood.

The Commercial Downtown (C-D) zone allows for residences above the first floor of a commercial building.

The Urban Village (C-UV) zone allows for multi-family housing along with commercial and other uses. It is intended to create areas that have mixed uses and where people would be able to walk for their daily needs instead of driving.

In addition, the City has a Master Planned Development ordinance that allows developers to develop at a higher density and with a greater mix of residential types in return for various amenities including "design features, architectural style, open space (including parks and trails), conservation elements, landscaping features, and recreational facilities." Master Planned Developments are a Conditional Use (meaning that they must apply for a

Conditional Use Permit) in all residential zones except for the A-E, R-R and R-O zones, where they are not permitted.

E. Evaluation of How Existing Land Uses Affect Opportunities for Moderate Income Housing

Spanish Fork City's land use regulations permit diverse land uses that include single-family, multi-family, and rental units at a wide range of prices throughout the City. The Model indicates that the City has a surplus of affordable units that fit all of these categories. Although there are not many options for those earning less than fifty percent (50%) of median gross income, Spanish Fork City staff does not believe that this is due to zoning; there are a number of developable properties in all zones, including those that would be most conducive to moderate income housing. The lack of development in these areas is due to market conditions and is beyond the control of the City.

F. The City's Program to Encourage an Adequate Supply of Moderate Income Housing

Spanish Fork City has pursued a number of routes to provide moderate income housing. The I-F zone is a recent effort to allow for higher-density, more affordable housing that will blend into neighborhoods, preserving property values and removing the negative stigma of affordable housing. The City has worked with Habitat for Humanity, which has been building in the area. Spanish Fork City also is home to 70 rent-subsidized units scattered throughout the City, where the Housing Authority of Utah County helps needy citizens to pay their rent. The City is also currently discussing the viability of accessory apartments in various parts of the City. Through these and other efforts, Spanish Fork City has provided a surplus of moderate income housing units, a surplus which has grown since our last General Plan was adopted. The City will continue to follow these practices in order to provide affordable housing for its citizens.

G. Goals and Policies for Moderate Income Housing

Goal G.1: Continue to encourage affordable housing in Spanish Fork City.

Policies:

- G.1.1 Encourage the use of Master Planned Developments to provide a mix of lot and home sizes and home types (townhomes, twin homes, accessory apartments and single-family detached homes) in residential zoning districts.
- G.1.2 Continue to provide HOME funds to the Housing Authority of Utah County to encourage 30-fifty percent (50%) AMI housing and removing barriers that block affordable housing.
- G.1.3 Continue to allow manufactured homes in all residential zones throughout the City.
- G.1.4 Continue to allow accessory apartments (basement, mother-in-law) in the R-3 and R-1-6 zoning districts.

Goal G.2: Encourage developments that target special groups like the elderly, disabled persons, and others people with special needs.

Policies:

- G.2.1 Provide HOME funds to the Housing Authority of Utah County encouraging them to fund 30-fifty percent (50%) AMI housing and removing barriers that block affordable housing for all individuals.