

1 **South Weber City**

2 **Moderate Income Housing Plan**

3 **2019**

4 **A Part of the South Weber General Plan**

7 **WHAT IS MODERATE INCOME HOUSING**

8
9 In accordance with section 10-9a-403 Utah Code Annotated, South Weber is providing
10 reasonable opportunities for a variety of housing including housing which would be
11 considered moderate income housing to meet the needs of people of various income
12 levels living, working, or desiring to live or work in the community, and to allow people
13 with various incomes to benefit from and fully participate in all aspects of neighborhood
14 and community life.

15
16 Moderate income housing is defined in the Utah Code as:

17
18 Housing occupied or reserved for occupancy by households with a gross
19 household income equal to or less than 80% of the median gross income
20 for households of the same size in the county in which the city is located.

21
22 According to this definition, any dwelling occupied by an individual or family with
23 income equal to or less than 80% of the median income of the county would qualify as
24 moderate income housing, regardless of the circumstances under which the dwelling is
25 occupied. For instance, it could be that the house was inherited and though valued at
26 something far more than a family of moderate income could afford to purchase; it is
27 nevertheless, occupied by a family whose income is below 80% of the regional median.
28 That house, therefore, is a moderate-income house by definition. The same could be
29 said for homes that have been in the same ownership for a long time and for which the
30 mortgage was established prior to many years of inflation and rising housing costs.
31 The occupants might be able to afford what, if mortgaged today, would be far out of
32 their financial reach.

33
34 This type of Moderate-Income Housing is the least quantifiable type. Without extensive
35 surveys and analysis of household incomes and home values, we have no way of
36 knowing what existing single-family housing units fall into this category. We can,
37 however, deduce how many of this kind of dwelling units there are. According to the
38 U.S. Census Bureau 24% of South Weber Residents fall into the moderate-income
39 category. We know that approximately 5% of existing housing is currently being rented

40 at a rate that would qualify it as moderate-income housing. This tells us that 79% of
41 the current moderate-income households are in dwellings of this type.

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44 **WHAT IS MODERATE-INCOME IN SOUTH WEBER:**

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

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56 **PRESERVING AND ENCOURAGING MODERATE INCOME HOUSING:**

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

60

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

64

65 *(B) facilitate the rehabilitation or expansion of infrastructure that will encourage the*
66 *construction of moderate-income housing;*

67

68 South Weber is currently in Phase One of a multi-year plan that will
69 increase the sewer system capacity which will handle potential future
70 multi-family and mixed-use developments in this area.

71

72 *(L) preserve existing moderate-income housing;*

73

74 South Weber will take no action that would put the continued existence of
75 moderate-income housing at risk. Existing housing areas will not be
76 rezoned in such a way as to jeopardize their status as legal permitted
77 uses. The zoning ordinance will not be modified in any way that
78 jeopardizes their continued existence as legal permitted uses. South
79 Weber will make every effort to keep costs of municipal services to these
80 dwellings within reasonable bounds.

81

82 *(U) apply for or partner with an entity that applies for programs administered by a*
83 *metropolitan planning organization or other transportation agency that provides*
84 *technical planning assistance;*

85
86 South Weber plans on utilizing Wasatch Front Regional Council grants
87 wherever possible. We have partnered and applied for planning assistance
88 in the past, have received great value, and intend to partner and apply
89 again.

90
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92 **MODERATE-INCOME HOUSING NEEDS:**

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

96	
97	Number of Dwelling Units 2017 1724
98	2017 Population 7310
99	Persons Per Household 2017 4.24
100	2017 Median Davis County Annual Household Income \$75,961
101	2017 Annual Household Moderate Income \$60,768

102
103 Once again by extrapolating from information contained in the Utah Affordable Housing
104 Manual, we find that a household with this income level could afford a mortgage of
105 approximately 3.1 times the annual income or could afford to spend 27% of their
106 monthly income on rent.

107	
108	Maximum Purchase Price $\$60,768 \times 3.1 = \$188,380$
109	Maximum Monthly Rent $\$60,768/12 = \$5,064 \times .27 = \$1,367$

110
111 It appears that rental units are the most attainable type of new moderate-income
112 housing likely to be established in South Weber. There are currently 87 rental units in
113 the City, 60 being in one apartment complex and the rest are basement type
114 apartments. Rental units comprise 5% of the existing housing stock in the City.

115
116 As previously stated, 79% of current moderate-income households are residing in
117 existing single-family dwellings; 326 dwelling units. It is reasonable to expect that, as
118 existing residents age in-place (stay in their current homes as they move into higher
119 age categories), there will be a significant number of owner-occupied dwellings that
120 transition into moderate-income housing. The number of dwellings that will do this is
121 difficult to predict, but if the current percentages persist, there would be an additional
122 257 additional owner-occupied dwellings move into moderate-income status within the
123 next 20 years for a total of 583 such dwellings.

124

125 It is estimated there will be a total of 3,076 dwelling units in South Weber at build-out.
126 If 24% of them are moderate-income, there will be 738 such units. There are currently
127 87 rental units and 326 owner occupied moderate-income households; a total of 413
128 units. Of a total build-out need for 738 moderate-income units, 413 are existing and an
129 expected 257 additional units will be owner occupied. This means there will be a need
130 for an additional 68 rental units at build-out in 20 years. That would be an additional 17
131 rental units needed in the next five years.

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133

134 **RECOMMENDATIONS:**

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

139

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

145

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

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