

## **ORDINANCE NO. 03-01-2024**

**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 February 27, 2024, 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 or 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, March 20, 2024. 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 19<sup>th</sup> day of March 2024.



  
Daniel M. Olson, Mayor

|                                 |       |            |
|---------------------------------|-------|------------|
| Councilmember Art Adcock        | Voted | <u>YES</u> |
| Councilmember Brian Del Rosario | Voted | <u>YES</u> |
| Councilmember Lynn Mecham       | Voted | <u>YES</u> |
| Councilmember Jeff Siddoway     | Voted | <u>YES</u> |
| Councilmember Travis Keel       | Voted | <u>YES</u> |

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 19<sup>th</sup> day of March 2024, 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 19<sup>th</sup> day of March 2024.

(SEAL)



  
\_\_\_\_\_  
Amalie R. Ottley  
Santaquin City Recorder

AFFIDAVIT OF POSTING

STATE OF UTAH                    )  
  ) ss.  
COUNTY OF UTAH                )

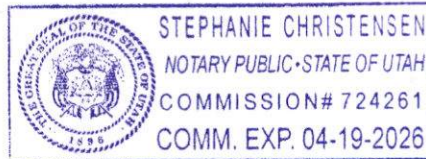
I, AMALIE R. OTTLEY, City Recorder of Santaquin City, Utah, do hereby certify and declare that prior to the ordinance taking effect, I posted a short summary of the ordinance on the Utah Public Notice Website as required by Utah State Code 10-3-711(1)(b) as a Class A Notice and Santaquin City Code 1-2-050(D)

I further certify that copies of the ordinance were posted online at [www.santaquin.org](http://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 20<sup>th</sup> day of Mar, 2024, by AMALIE R. OTTLEY.  
My Commission Expires: 4-19-26

  
\_\_\_\_\_  
Notary Public





## 1: MODERATE INCOME HOUSING ELEMENT

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 2022 as \$96,000. 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 could still be considered a low-income household. For example, a household with 4 people making less than \$80,900 is considered having a low income.

**Table 1: Low Income Levels Based on Household Size.**

| Income Levels                     | Household Size |          |          |          |          |          |          |          |
|-----------------------------------|----------------|----------|----------|----------|----------|----------|----------|----------|
|                                   | 1              | 2        | 3        | 4        | 5        | 6        | 7        | 8        |
| Low (80%) Income Limits           | \$52,450       | \$59,950 | \$67,450 | \$74,900 | \$80,900 | \$86,900 | \$92,900 | \$98,900 |
| Very Low (50%) Income Limits      | \$32,800       | \$37,450 | \$42,150 | \$46,800 | \$50,550 | \$54,300 | \$58,050 | \$61,800 |
| Extremely Low (30%) Income Limits | \$19,700       | \$22,500 | \$25,300 | \$28,100 | \$32,470 | \$37,190 | \$41,900 | \$46,630 |

Source: Information obtained from US Housing and Urban Development Income Limits Documentation System 2022([www.huduser.org](http://www.huduser.org))

Santaquin’s population in 2010 was 9,128 and the population estimate for 2020 was 13,725. That is an increase of 4,597 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





## 1: MODERATE INCOME HOUSING ELEMENT

(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 2018**

| AMI Income Level | Households | % of Households |
|------------------|------------|-----------------|
| 100% AMI         | 1510       | 53%             |
| 80% AMI          | 895        | 32%             |
| 50% AMI          | 325        | 11%             |
| 30% AMI          | 100        | 4%              |

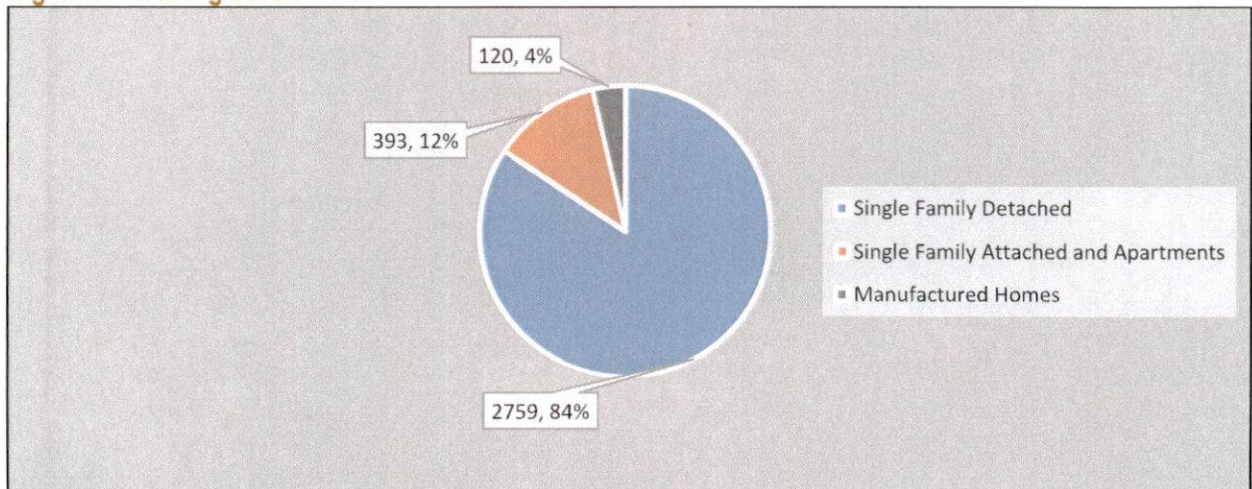
Source: Information obtained from US Housing and Urban Development Comprehensive Housing Affordability Strategy 2018 ([www.huduser.org](http://www.huduser.org))

A low income is considered to be 80% of the AMI. In 2018, there are 1,320 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, Santaquin had 2,759 detached single-family residences, 393 attached single family or apartment units, and 120 manufactured homes. These numbers combine for a total of 3272 dwelling units. The majority of dwelling units in Santaquin were owner-occupied. There were 2,768 owner occupied units, 478 renter occupied units and 26 vacant units.

**Figure 1: Housing Stock**



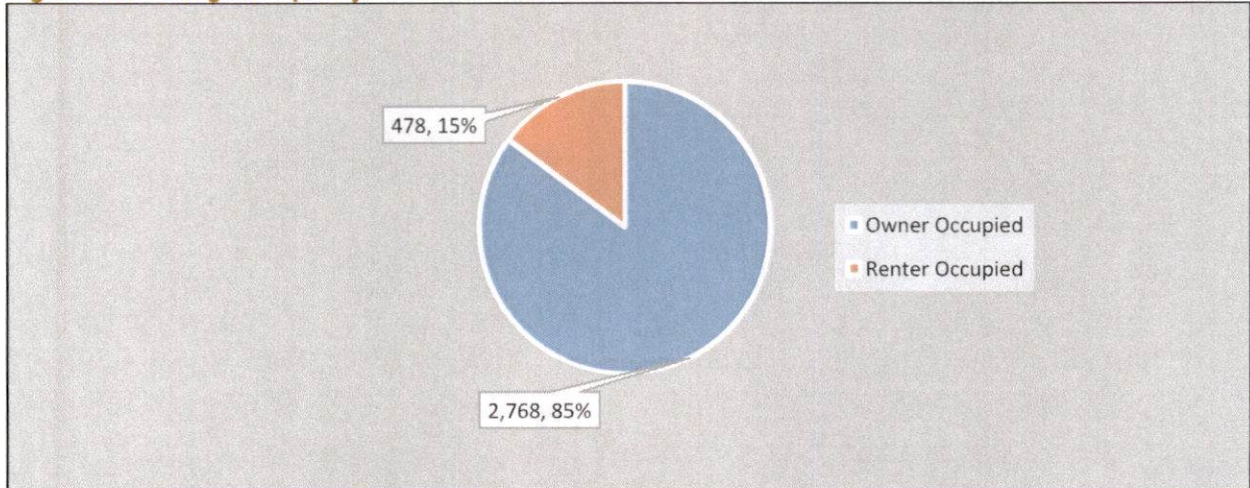
Source: US Census Bureau's American Community Survey, 2020 ([www.factfinder.census.gov](http://www.factfinder.census.gov))





## 1: MODERATE INCOME HOUSING ELEMENT

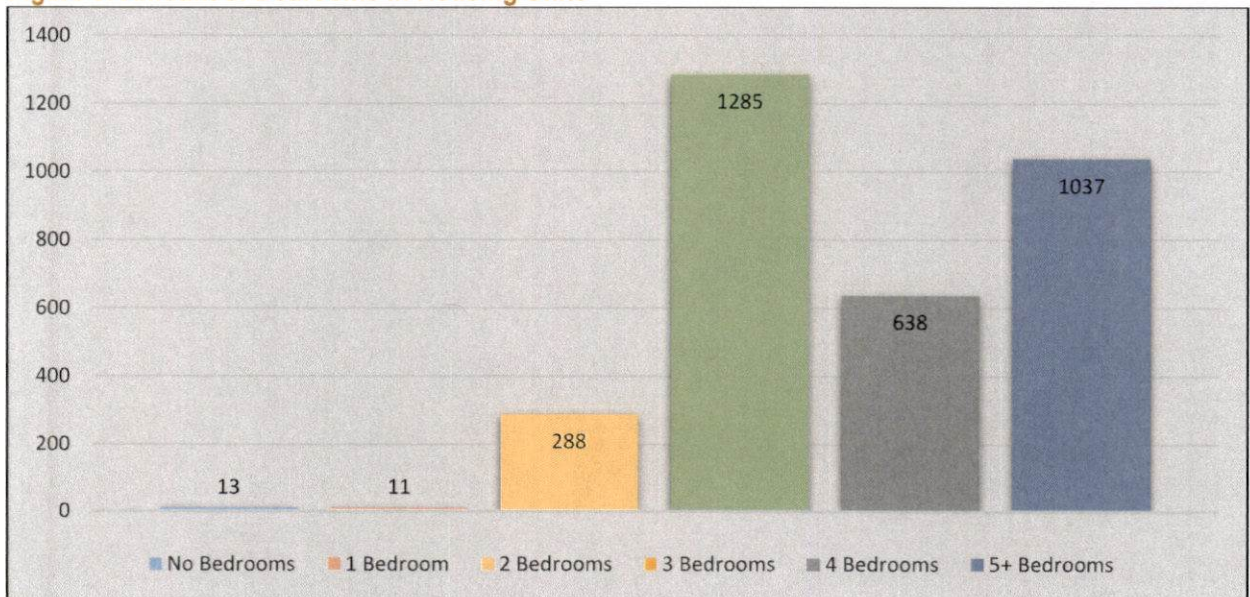
Figure 2: Housing Occupancy



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

There are 13 dwelling units that have no bedrooms and 11 dwelling with one bedroom. The majority of housing units have 3+ bedrooms. Approximately 53% of the housing stock in Santaquin was built in 2000 or later and 11% built before 1959.

Figure 3: Amount of Bedrooms in Housing Units



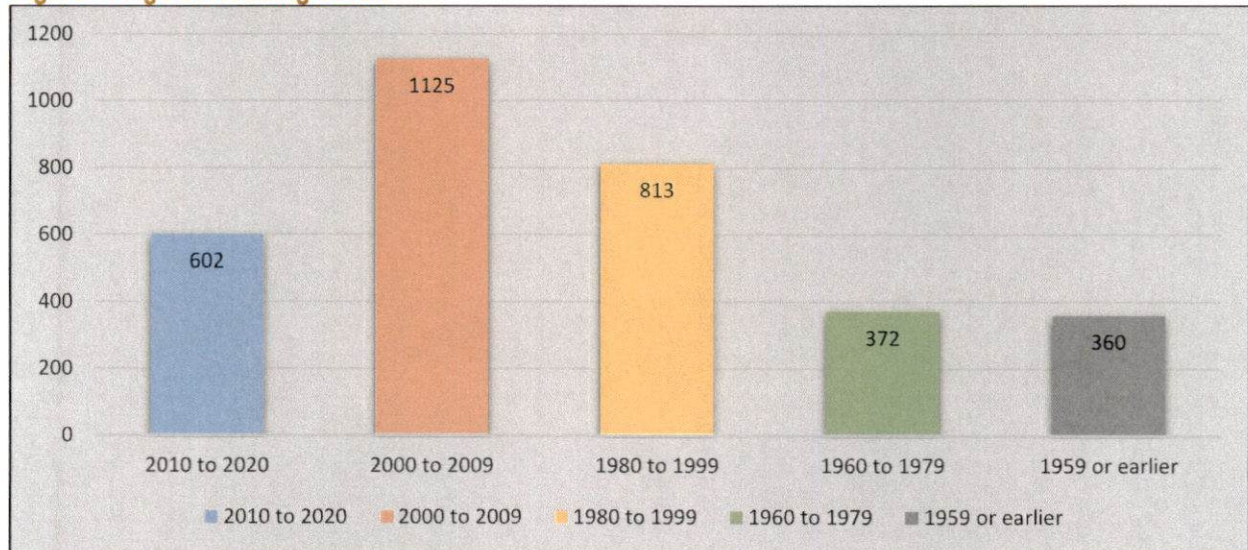
Source: US Census Bureau's American Community Survey, 2020 ([www.factfinder.census.gov](http://www.factfinder.census.gov))





## 1: MODERATE INCOME HOUSING ELEMENT

Figure 4: Age of Housing Stock



Source: US Census Bureau's American Community Survey, 2017 ([www.factfinder.census.gov](http://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, the AMI for Utah County was \$96,000 or \$8,000 a month. Based on these numbers, mortgage or rent and utilities should be no higher than \$2,400 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 or \$6,400 a month, can spend \$1,920 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.





## 1: MODERATE INCOME HOUSING ELEMENT

**Table 3: Affordability Summary 2019**

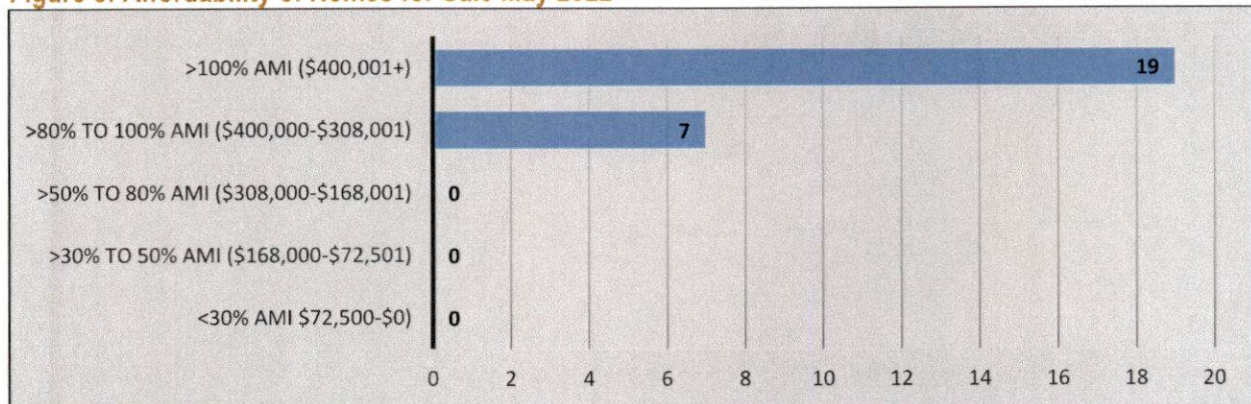
| Household Income | Yearly Income | Monthly Income | Monthly Housing Expenses | Max. Mortgage Loan Amount |
|------------------|---------------|----------------|--------------------------|---------------------------|
| 100% AMI         | \$96,000      | \$8,000        | \$2,400                  | \$400,000                 |
| 80% AMI          | \$76,800      | \$6,400        | \$1,920                  | \$308,000                 |
| 50 % AMI         | \$48,000      | \$4,000        | \$1,200                  | \$168,000                 |
| 30% AMI          | \$28,800      | \$2,400        | \$720                    | \$72,500                  |

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

Research conducted on [utahrealestate.com](http://utahrealestate.com) and [homes.ksl.com](http://homes.ksl.com) indicate that there were 26 homes for sale in Santaquin as of May 2022. Of the 26 homes available, 7 units are affordable to moderate income households and there are 0 homes available to low-income households.

There were 5 properties listed for rent on [zillow.com](http://zillow.com) and [rentler.com](http://rentler.com). Of the 5 properties available for rent, 1 was available to moderate income households and 4 were available to low-income households.

**Figure 5: Affordability of Homes for Sale May 2022**

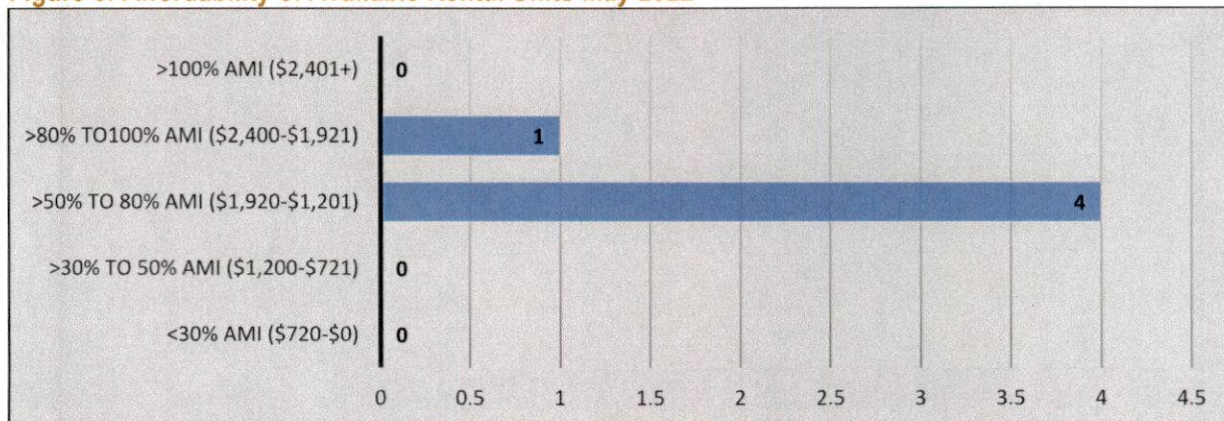


Source: [utahrealestate.com](http://utahrealestate.com), [homes.ksl.com](http://homes.ksl.com), May 2022



## 1: MODERATE INCOME HOUSING ELEMENT

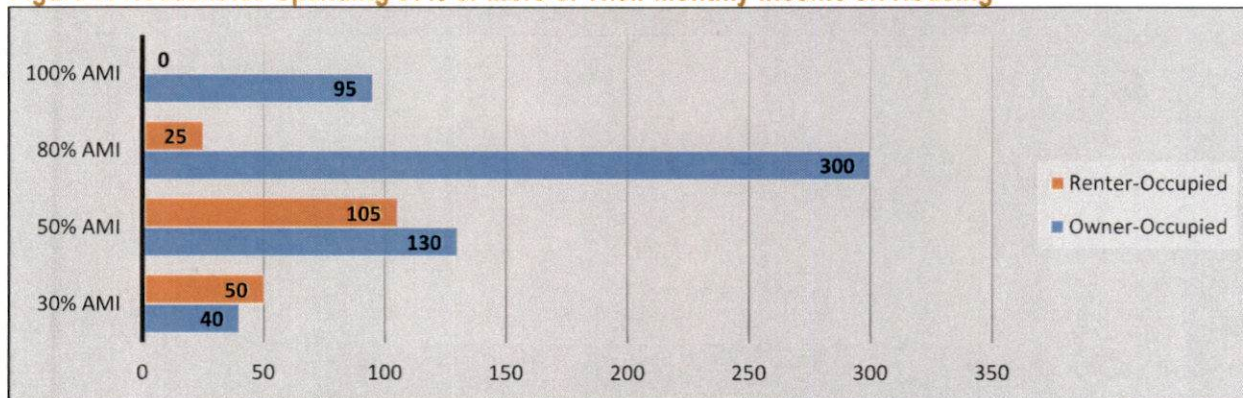
Figure 6: Affordability of Available Rental Units May 2022



Source: Zillow.com, Rentler.com, May 2022

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



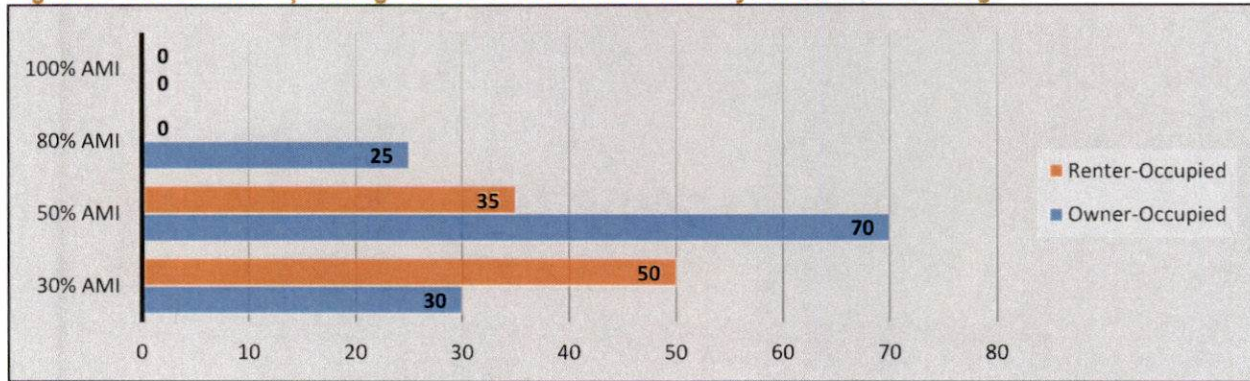
Source: Comprehensive Housing Affordability Strategy 2018 (huduser.gov)





## 1: MODERATE INCOME HOUSING ELEMENT

Figure 8: Households Spending 50% or More of Their Monthly Income on Housing



Source: Comprehensive Housing Affordability Strategy 2018 (huduser.gov)

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

Santaquin'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. Santaquin'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. Santaquin 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





## 1: MODERATE INCOME HOUSING ELEMENT

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 single-family 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





## 1: MODERATE INCOME HOUSING ELEMENT

### STRATEGIES AND IMPLEMENTATION PLANS:

Strategy 1 (E) Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

Implementation Plan – ~~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 more residential zones will be reviewed on an annual basis. Additionally, e~~ 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 – ~~A legislative process will be initiated by the end of 2022. Action taken to allow detached ADUs in more zone(s) and/or educational materials prepared for the residents that own property which qualify to have a detached ADU, will be implemented by October 1, 2023.~~ 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.

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 202~~2~~<sup>3</sup>, the Parks, Recreation, Trails, and Open Space (PRTOS) Master Plan was completed and 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





## 1: MODERATE INCOME HOUSING ELEMENT

~~in first few months of 2024. has started the process to be updated and it is expected that it will be completed before October 1, 2023. As this is done, Santaquin will work with our financial consultant to determine if an appropriate reduction, waiver, or elimination of the applicable impact fee for accessory dwelling units is justified.~~

### Strategy 3 (F)

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, ~~and or~~ builders to develop and/or redevelop property that is ~~commercially zoned that is near commercial or mixed use areas, and identified as being effectively located near public transportation, commercial activities, and other services, to include moderate-income housing.~~ Santaquin City officials will identify specific areas for consideration and will proactively contact property owners to explore opportunities.

Benchmarks and Timeline – Santaquin City Officials will 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 ~~October~~ August 1, 2023~~4~~.

### Strategy 4 (B)

~~Develop a moderate-income housing project for residents who are disabled or 55 years old or older.~~

~~Implementation Plan – Santaquin City will work with landowners, developers, and builders to develop and/or redevelop property for a senior-oriented community that qualifies as moderate-income housing. Santaquin City officials will identify specific areas for consideration and will proactively contact property owners to explore opportunities.~~

~~Benchmarks and Timeline – Santaquin City Officials will identify strategic areas and contact property owners in those identified areas to facilitate a development that would serve residents who are disabled or who are 55+ years old. Discussions and planning will take place before October 1, 2023.~~

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





## 1: MODERATE INCOME HOUSING ELEMENT

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, The Santaquin City Council will initiate a contract to start the design of the next phase of the expansion of the WRF.

### 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. ~~include moderate income housing as a way to earn a density bonus in a Planned Unit Development (PUD).~~

Benchmarks and Timeline – A legislative process will be initiated by July 1, 2023~~4~~. Possible action will be implemented by ~~October~~ August 1, 2023~~4~~.