

Moderate Affordable Income Housing in Centerville

Assessing Our Housing Needs

COMMUNITY DEVELOPMENT

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Introduction

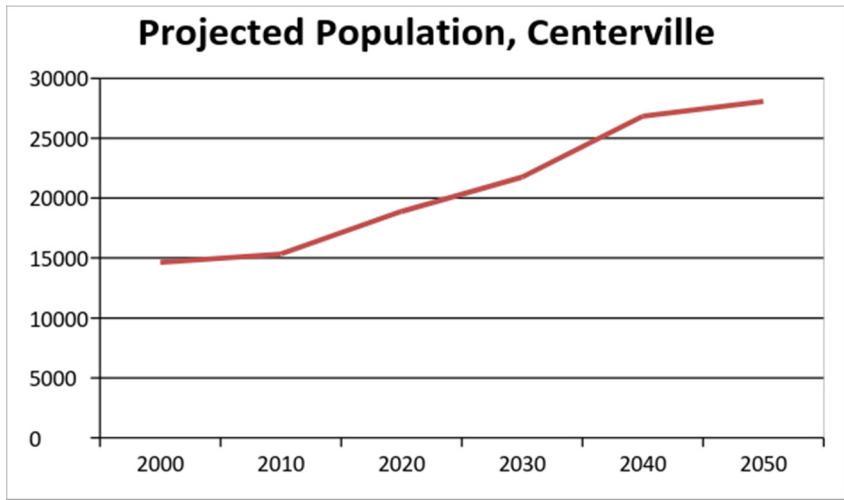
In 1996 the Utah Legislature passed House Bill 295 requiring cities and counties to include an affordable housing element as part of the general plan. Housing is considered affordable when households of various incomes spend no more than 30% of their gross monthly income on housing expenses, including utilities. In this plan, housing needs are considered for moderate-income households within the following income brackets: 1) Low-income [50-80% AMI], 2) Very low-income [30-50% AMI], and 3) Extremely low-income [<30% AMI].

The intent of this affordable housing plan is to ensure that Centerville City provides a reasonable opportunity for a variety of housing, including low to moderate income housing, to meet the needs of the population desiring to live in the City. Housing should be encouraged to allow persons earning a moderate income or less to fully participate in, and benefit from all aspects of neighborhood and community life.

Demographics

Centerville's population in the 2010 US Census was 15,335, with estimates for 2017 at 16,387. By far, the majority of the population of Centerville is white, with 93% of residents identifying as white, with 4% identifying as Hispanic and 1% as Asian. 98% of residents are U.S. Citizens, and the median age is 34.

Population Growth and Housing Needs



The current population of Centerville, by ACS Data, is 16,387. The population of Centerville is expected to increase to 18,890 by 2020 and 21,756 by 2030. These additional residents amount to an additional 1132.3 households by 2020 and an additional 2045 households by 2030, based on the city's current average household size, at 3.14.

Special Needs Population

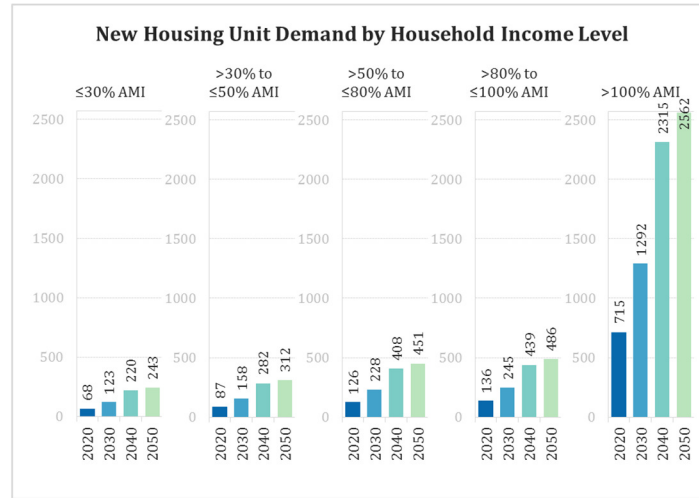
Data from the 2012 American Community Survey indicates that 8.3 percent of all Americans under the age of 65 and 36.8 percent of all Americans 65 and older have some form of disability. Assuming that the percentage of Centerville residents with disabilities is comparable to national figures, approximately 1,125 Centerville residents under the age of 65 and 656 Centerville residents 65 and older suffer from a disability. Individuals with disabilities may require special housing accommodations.

About 11.6 % of Centerville's population was 65 and older as of the 2010 U.S. Census. The share of the city's population that is 65 and older is expected to increase to 12.9 % by the year 2020 and 13.1% by the year 2030. Some elderly individuals may not be able to remain in their homes or may choose to relocate to a unit that better suits their preferences and needs. The elected and appointed officials of Centerville may wish to evaluate the housing options available to seniors wishing to remain in or move to the community.

According to the 2013 annualized point-in-time count, roughly 0.55 % of Utah's population is homeless. Although regional differences may impact the rate of homelessness, this percentage can be used to estimate the number of homeless individuals in Centerville, which, according to this algorithm, could be as high as 84. Given this estimate, Centerville should consider developing or promoting programs designed to help these individuals become stably housed.

Housing Demand

The population of Centerville is expected to increase from 15,335 in 2010 to 18,890 by 2020 and 21,756 by 2030. The current average household size for the city is 3.14, so these additional residents amount to an **additional 1,132 households from 2010 to 2020** and an additional 2,045 households (from 2010) by 2030.



Based on population change, observed income levels, and existing vacancies, **it is projected that Centerville will need an additional 963 housing units by 2020 than existed in 2010**, amounting to approximately 96 additional units per year in this decade. Of those 963 units, 68 will need to be affordable to extremely low-income ($\leq 30\%$ AMI) households, 87 will need to be affordable to low-income ($> 30\%$ to $\leq 50\%$ AMI) households, and 126 will need to be affordable to moderate-income ($> 50\%$ to $\leq 80\%$ AMI) households.

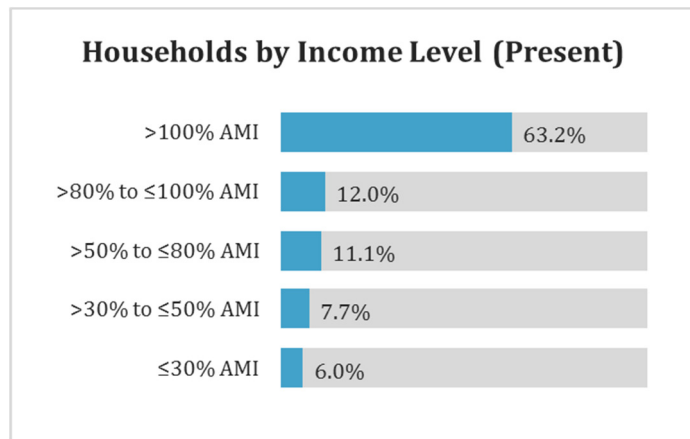
By 2030, Centerville will need an additional 1,844 housing units. Of those 1,844 units, 123 will need to be affordable to extremely low-income ($\leq 30\%$ AMI) households, 158 will need to be affordable to low-income ($> 30\%$ to $\leq 50\%$ AMI) households, and 228 will need to be affordable to moderate-income ($> 50\%$ to $\leq 80\%$ AMI) households.

Centerville has less than 6 square miles of land within city limits, and is sandwiched between the Wasatch Mountains to the east and the Great Salt Lake to the west. This leaves much of our land within the foothills or covered in wetlands. Therefore, there are certainly some geographical limitations to our growth. Many years into the future, development will be redevelopment of infill properties and furthering subdivisions into smaller properties. While this is not an immediate circumstance, it should be noted that our growth cannot and will not fulfill the projected need in decades ahead.

Income

Analyzing the income of Centerville’s residents is critical to understanding the City’s affordable housing need, because housing affordability is a direct function of our resident’s income.

Because the cost of living is relative to the area in which the residents live and to household size, the U.S. Department of Housing and Urban Development (HUD) use a measure called the Area Median Income (AMI). The AMI is the standard to determine housing attainability of the population. While the median income for Centerville alone is higher, the AMI for the County is \$71,112. The chart below categorizes household income levels by AMI, and illustrates the number of Centerville households whose total income falls within each income bracket. The median income of Centerville is higher than the median income for Davis County and the State



of Utah, and is shown below.

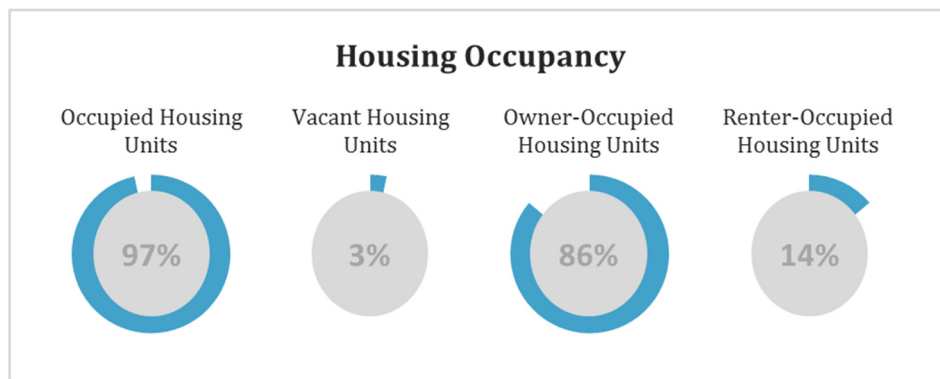
Housing Supply

Out of over five thousand housing units in Centerville, approximately only 3% of them are vacant.

Our housing stock is primarily single family homes, with some town homes and duplexes and small percentage of multifamily options. Our multifamily housing stock has increased since our last count in 2012, from an overall percentage of 8%, now at 10%.

Housing Type	Units 2017	%	Open Market Yield
Single family	3,933	71%	60%
Townhome/ Duplex	1,029	19%	14%

Multi-family	585	10%	26%
Total Units	5,547		



As shown in the graph above, the majority of our housing units are owner-owned, with very little vacancies, and a small percentage in renter occupied housing.

Housing Affordability

The median household income in Centerville is \$78,438, which is \$7,326 above the area median income (AMI) for Davis County (\$71,112). Given these figures, 6 % of the households in Centerville earn less than or equal to 30 percent of AMI, 7.7 % earn between 30 and 50 % of AMI, 11.1 % earn between 51 and 80 percent of AMI, 12 % earn between 81 and 100 % of AMI, and 63.2 % earn more than 100 % of AMI. Households that earn a moderate income (80 percent of AMI) or less make up 24.8 percent of Centerville's population.

Housing is considered affordable when households—regardless of their income—spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly

income. Based on this definition, 63.7 percent of Centerville's renter households that earn a moderate income or less and 55.8 percent of the city's owner households that earn a moderate income or less are cost burdened, which indicates that Centerville's residents would benefit from additional affordable rental and ownership options.

AMI	Mortgage	Count
>100%	>\$308,811	1,658
>80% and < 100%	>\$247,047 and <\$308,811	1,259
> 50% and < 80%	>\$ 154,406 and <\$247,047	939
>30% and <50%	>\$92,643 and < \$154,406	30
<30%	<\$92,643	27

Using County data for the market rate value of our single family homes, we can see from the table above that Centerville has approximately 939 single family homes within the “moderately affordable income” bracket, between 50% and 80% AMI. This data is based on County assessed value of the home, which is typically *lower* than what it would appear on the market today, so the number of units may, in reality, be less than determined by this data.

Zoning Regulatory Environment

The majority of Centerville is zoned for single family dwellings, as Agricultural-Low and Residential-Low zones. Currently, there are two zones that allow duplex, townhomes, or multifamily: Residential Medium and Residential High. While the majority of Centerville’s zoning codes do not prohibit the development of affordable housing for moderate income levels, there is room for improvement. Currently only single family lots are allowed in Residential Low zones. In the future, when considering infill options and redevelopment strategies, a variety of housing options should be put on the table, including mother in law apartments and duplexes in traditionally single family neighborhoods.

Recently, the City Council increased the permitted gross density of Residential-Medium multi-family density to from four to six units an acre. However, the previous CUP option for eight units per acre has been eliminated for the time being, leaving the City’s General Plan density gap between medium densities, (currently capped at 6 units an acre) and high densities (9-12 units). This gives developers less options for density, and creates a wider gap between the density allowance between “Residential-Medium” and “Residential-High”, which needs further review and analysis in the future.

The zoning code currently prohibits accessory dwelling units (ADU) in all residential specific zones. Within the past two years the City studied the idea of allowing ADU's, however, concerns over cost of conversion given the construction codes for adding a small dwelling unit to an existing home seemed problematic. Additionally, the parking demand for both the primary and ADU raised potential concerns. Allowing for ADU's in single family residents could be used as a strategy to increase the supply of affordable rental housing, by allowing those owning homes an option to use under-utilized portions of their property.

During our next evaluation of our General Plan and Zoning regulations, the use of ADU's may ripen as an option and be reconsidered in the future.

Fair Housing

By consent of the people of Utah, Centerville lawfully exercises planning, zoning, and land use regulation authority to promote the health, safety, and welfare of its residents. Centerville is committed to the equal protection and equitable treatment of all members of its community and anyone seeking to rent, lease, or purchase real property within its boundaries. Centerville does not condone housing related practices that intentionally or indirectly discriminate on the basis of color, disability, ethnicity, familial status, gender identity, national origin, race, religion, sex, sexual orientation, source of income, or other suspect classifications. Centerville upholds the Utah Fair Housing Act and complies with federal requirements that affirmatively further fair housing. Centerville promptly reports housing discrimination to the Utah Antidiscrimination and Labor Division (UALD) and assists in its investigations of claims in a timely manner. Centerville also systematically identifies and eliminates unfair encumbrances that impede its ability to promote and maintain an adequate supply of moderate-income targeted housing within its boundaries.

Addressing issues associated with fair and affordable housing requires regular reviews of plans, policies, and ordinances as well as ongoing monitoring and assessment of potential disparate impacts and adverse effects within the community. Regular performance reviews of implemented housing plans, policies, and ordinances provide Centerville with continuing feedback for making improvements. Centerville has set forth the following goals in accordance with its commitment to eliminate barriers to fair and affordable housing:

- Allocate resources to update, create and localize an Analysis of Impediments to affirmatively further fair housing.
 - Create action steps to overcome the impediments to fair housing.
 - Document any fair housing action steps taken.

Goals and Strategies

Centerville plans to recommit to the goals passed in 2012 in the General Plan, as follows:

1. **Continue to support allowing mixed use zoning and related development in strategic areas of the city.**
2. **Monitor and review existing housing patterns within the city in comparison to a pattern of an open market yield.**
3. **Make an effort to balance the number and size of zoning districts with the demand for various housing types.**
4. **Consider adopting basic or flexible design standards for small-lot or underutilized land parcels within existing developed areas of the city.**

Evaluation of Previous Goals

These goals have been followed the past few years, with progress in the advancement of mixing use projects such as Legacy Crossing Apartments and Legacy Commons on the west side of the city. Other townhomes and condos have also been approved in this time period. The breakdown of our housing stock in relation to the open market yield has improved, with a rise in multi-family units, a decrease in percentage of single family homes, and a steady state of townhomes and duplexes. By decreasing our residential-medium density, this may inhibit some developers, but may increase the likelihood and abundance of medium density housing in some neighborhoods.

Centerville would also like to commit to new strategies in order to accommodate moderate income housing:

New Strategies:

5. **Re-examine the allowance of ADUs, with preference towards pushing toward State changes to the requirements of Building Codes.**

In previous debates of Accessory Dwelling Units, there has been concern over the burdensome Building Codes on behalf of the owners in order to convert accessory dwelling units in their home. Other issues were in regards to parking and overall concerns of increased density in small neighborhoods. The City Council is ready to examine this ordinance again in order to make room for more affordable housing options.

6. Loosen and adapt development restrictions in the Hillside zoning development standards to allow further and more varied development within the Hillside Overlay.

Centerville's Hillside development Overlay imposes further development standards and restrictions on lots in this zone and with steep slopes. Loosening these restrictions, while maintaining the integrity of the code for safety and aesthetic purposes, allows developers more flexibility and more lots to be built in this zone at a variety of sizes and prices.

7. CDA monies will be allocated to the preservation of moderate income housing and seek further opportunities for this development.

The City has created three redevelopment areas and as part of the tax increment expenditure projections the preservation of affordable housing has been identified. Such increment expenditure has been utilized in the past and the City will continue to look for those opportunities to assist with preservation projects.

**(ADDITIONAL LANGUAGE NEEDS TO BE
INSERTED IN THIS REPORT REGARDING
CURRENT FUNDS BEING SET ASIDE IN THE
CITY'S RDA/CDA AREAS)**

8. Strategic Reevaluation and Reconsideration of Moderate Income Housing Element of the General Plan by 2019

The city will be ready to reevaluate its General Plan in regards to Moderate Income Housing in 2019.

Conclusion

As with the entire state of Utah, Centerville is growing. Although Centerville is a small city bound by water and mountains, the city recognizes its need to grow and accommodate other types of housing needs by doing what it can, where it can. Centerville will commit to its goals to find solutions to these complex housing problems while maintaining the sense of community it

values so much. Reexamining accessory dwelling units, deregulating some Hillside ordinances, committing grant money to affordable housing developments are strategies that can be implemented immediately in order to make progress on these issues. There are also a number of strategies that are still left on the table when we review our goals and progress within the General Plan again in two years. Centerville can grow in a sustainable way that makes room for a variety of needs and backgrounds, while maintaining its core values.