

# MODERATE INCOME HOUSING

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## Introduction

In 1996, the Utah State Legislature adopted Section 10-9-307 of the Utah Code to address the availability of moderate income housing in communities. Since 1996 there have been updates to State Code dealing with housing for people with moderate incomes. The current State requirements are found in section 10-9a-403. The goal of the legislation is to encourage a variety of housing which will allow persons with low and moderate incomes to benefit from, and participate in, all aspects of neighborhood and community life.

This plan addresses the following issues in accordance with State guidelines:

- 1) An estimate of the current supply of moderate income housing;
- 2) An estimate of the need for the development of additional moderate income housing within the city and a plan to review the need;
- 3) Survey of total residential land use;
- 4) Evaluation of potential regulatory barriers to moderate income housing; and
- 5) A plan to provide a realistic opportunity to meet the estimated needs for additional moderate income housing if long-term projections for land use and development occur.

The purpose of Richmond City's Moderate Income Housing Plan is to address these five issues and to establish the City's goals and policies for moderate income housing.

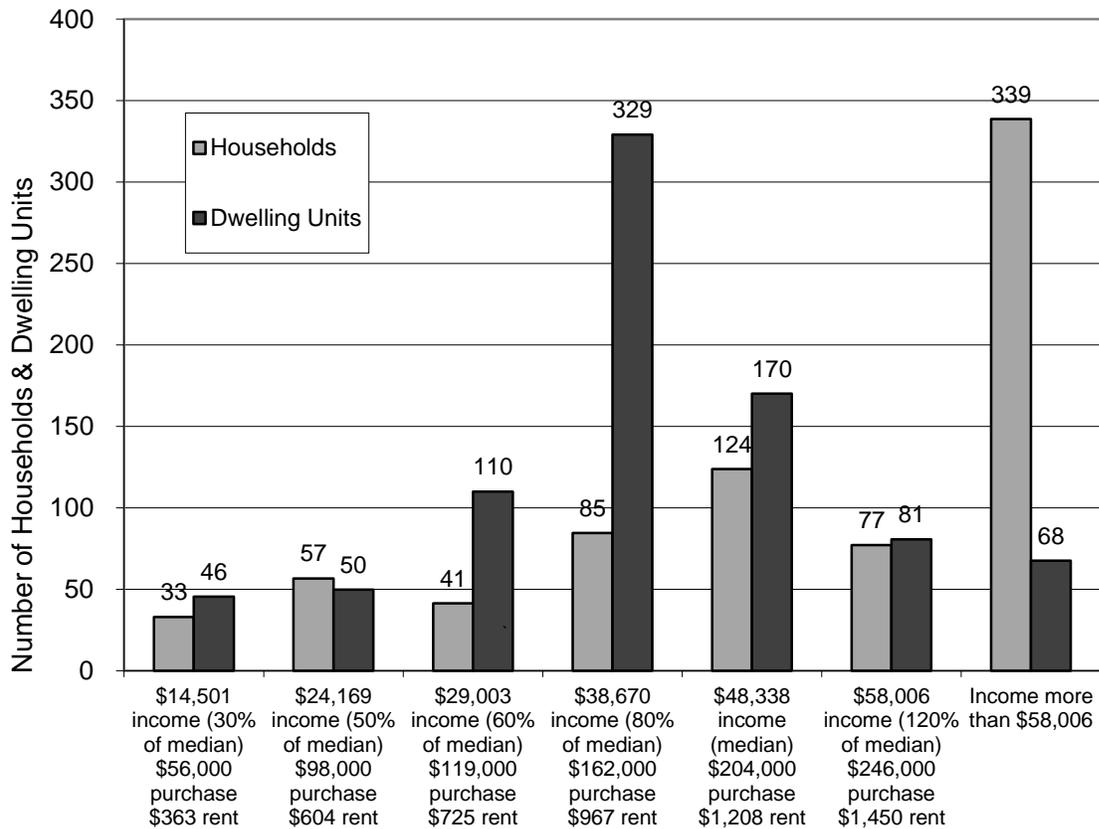
## What is Moderate Income Housing?

Moderate income housing as defined by the Utah State Code 10-9a-103 is, "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 2011 median income level for Cache County for a family of four was approximately \$48,338. The moderate income level (80% of the median income) is \$38,670. The Cache County moderate income level is recommended by the State to be used by Richmond in determining whether or not housing is affordable.

## Housing Needs Analysis

The assessment of moderate income housing is provided by the Countywide Planning and Development Office and the Bear River Association of Governments utilizing a computer model developed by the Utah Division of Housing and Community Development. The tables and data used in the needs analysis are primarily based on U.S. Census and County Assessor's data.

Figure 1: Number of Households Compared to Number of Dwelling Units - 2012



### Estimate of the current supply of moderate income housing

There are currently 853 dwelling units in Richmond. The total number of units that can be considered affordable to those with moderate incomes is 535. Figure 1 shows a more detailed break out of the number of households in each income bracket and the number of dwelling units in Richmond that are affordable to households at each income level. A household is defined by the US Department of Housing and Urban Development (HUD) as, “All the People who occupy a housing unit [or dwelling unit] ([www.huduser.org](http://www.huduser.org)).”

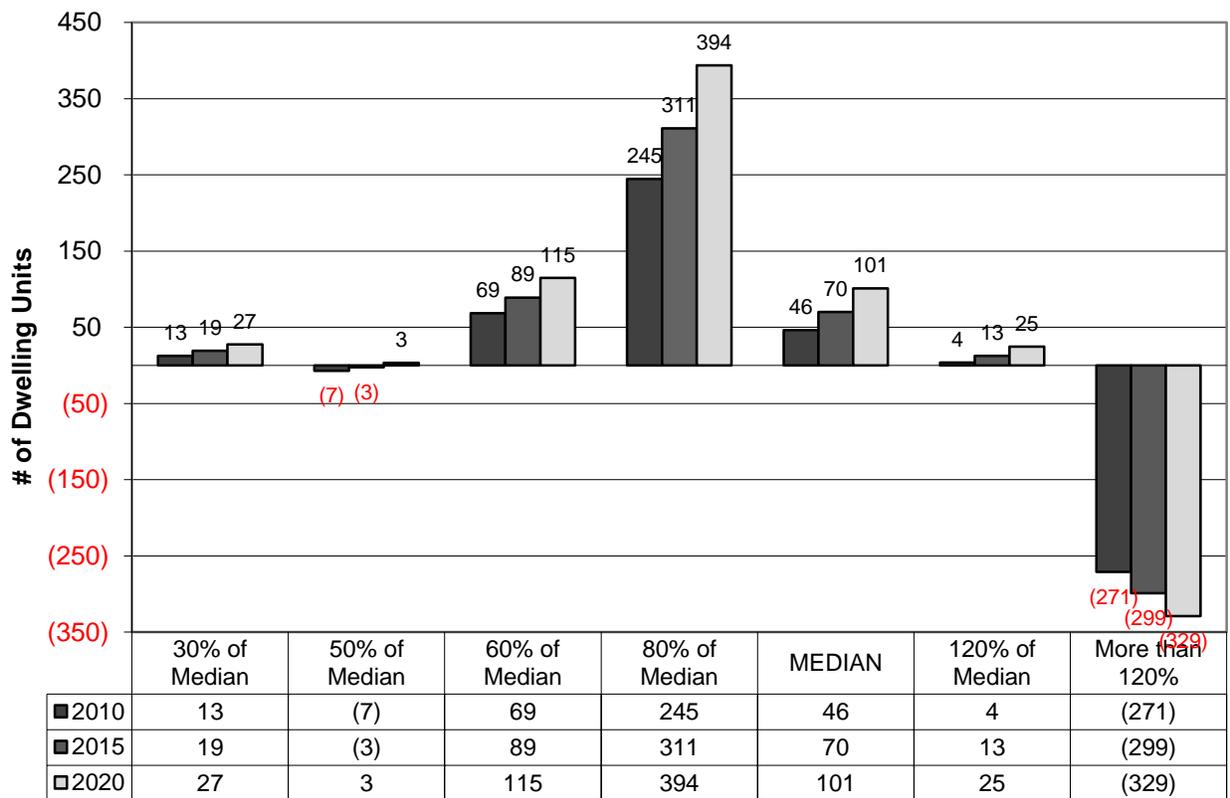
While there is a surplus of housing for households at 80%, 60%, and 30% of median income, there is a shortage of 7 dwelling units for households making 50% of the median income (see Figure 1).

### Estimate of the need for the development of additional moderate income housing

The information presented serves as an introduction to the status of the housing supply of the City. This information was used in a model prepared by the State of Utah Department of Community and Culture, Division of Housing and Community Development to analyze existing supply and demand of moderate income housing. This model has been used across the state to provide similar analyses for other Utah communities. Statistics for individual cities were taken from the 2009 American Community Survey estimate and from data collected by the City. The supply of moderate income housing was predicted using past growth patterns and the state’s

population projections. Data used in the analysis include only households and incomes within Richmond and the conclusions reached must factor in proximity of the existing stock of moderate income housing in other nearby cities such as Smithfield, Lewiston, Logan City and all of Cache Valley. The formula calculates whether Richmond has a surplus or deficit of moderate income housing for its population. The table below (Figure 2) indicates the current status of moderate income housing and the future deficit and/or surplus in moderate income housing as indicated by the statistics in the model.

**Figure 2: Trend in Moderate Income Housing Supply**



The estimated population of Richmond is 2,470. Population projections from the Utah Governor’s Office of Planning and Budget show the population of Richmond increasing by an average of 1.63% each year. As the population increases there may be an increased need for moderate income housing. Figure 2 depicts the trend in moderate income housing supply until 2020. While there is currently a slight shortage of moderate income housing, that shortage is predicted to decrease over time. By the year 2020 there is predicted to be a surplus of housing in all income categories.

Analyses conducted for this Plan revealed a deficit of moderate income housing in Richmond for households making 50% of the AMI, as seen in Figure 1. Likewise, there is an apparent deficit of housing for those who make more than 120% AMI. There may be several reasons for the analysis revealing the deficit in housing for those making 50% or less of the AMI. Demographic groups in

Richmond that are not easily tracked with US Census and other survey methods, and which could be at least partially contributing to the deficit, include the following:

- Multiple households living in single housing units.
- Seniors who make less than 30% of the AMI but have already paid off their mortgage or own their home outright.
- Housing prices in Richmond are relatively low when compared to the annual median income of Richmond Residents, which is approximately \$54,000. This is about \$5,600 more than the County median income of \$48,338 that was used for the analysis.

These demographics could be contributing to what is shown by Figures 1 and 2. Additional research and data on household status by age and income would be necessary to confirm these assumptions.

### Survey of total residential land use

There are 2,033 acres within Richmond City limits that are zoned to allow residential units. Figure 3 shows current acreage per zone, potential acreage at future build-out, and percent of total acreage per zone. Of that total, 857 acres are zoned single family residential (including Planned Unit Developments). Richmond allows multi-family housing, but requires a distance of 2,000 feet or more between developments. The Agriculture Zone in Richmond is considered part of the residential land use because single family homes are allowed. The minimum lot sizes in the Agriculture Zones are 5 and 10 acres. Because of this, the agricultural zones are not considered a zone where moderate income housing would likely exist.

Land Use Category	Current Acres	Percent %	Future Acres at Build-out	Percent %
Agriculture	733	35%	349	16%
Residential Estates RE-1	47	2%	47	2%
Residential Estates RE-2	106	5%	271	12%
Residential Low and Medium Density RLD and RMD	764	37%	932	42%
Multi-Family/Trailer	10	<1%	10	<1%
Planned Unit Development	190	9%	190	9%
Commercial	39	2%	96	4%
<b>Total</b>	<b>1,889 Acres</b>	<b>~91% of Total Acreage</b>	<b>1,895 Acres</b>	<b>~86% of Total Acreage</b>

Source: Draft Richmond City General Plan, February 2013

### Evaluation of potential regulatory barriers to moderate income housing

Richmond's current regulations allow for moderate income housing within the city. Most residents of Richmond work outside of the City. Although there is a gas station, schools, churches, some large employers, etc. in Richmond, most essential services such as grocery stores, medical care, and others are located 7 to 13 miles away in either the Smithfield or Logan areas. Based on the 2007-2011 US Census American Community Survey, the average commute time to work for

someone living in Richmond is about 20 minutes. These two factors create a large transportation expense for Richmond residents. It would be difficult for a household making 50% or less of median income to pay those transportation costs in addition to housing and other necessary expenses. However, Richmond residents also benefit from several Cache Valley Transit District routes close by, providing some opportunities for commuters to save money on fuel costs. These routes are limited though, and most commuters still drive out of necessity.

## Goals and Policies

The following goals and policies are put forth with the intent to provide a realistic opportunity for Richmond to meet the estimated needs for additional moderate income housing in the future.

**Goal 1: Actively plan for Moderate Income Housing in Richmond City in appropriate areas of the community.**

**Objective:** Determine and document areas where Moderate Income Housing will be allowed and/or encouraged.

### Policies:

- 1) Review zoning ordinances to determine where moderate income housing is currently being allowed.
- 2) Determine where Moderate Income Housing should/should not be allowed in accordance with the values documented in this General Plan, and revise zoning ordinances accordingly.

**Goal 2: Encourage well-designed, and well-managed, moderate income housing units and developments in Richmond City.**

**Objective:** Utilize design standards for multi-family housing developments and provide and better educate landlords regarding management best practices.

### Policies:

- 1) Research and develop design standards for various types of Moderate Income Housing and update zoning ordinances accordingly.
- 2) Create or use an existing information sheet on recommended management practices for moderate income housing, which can be distributed to prospective and current landlords as needed and followed by them on a voluntary basis.

**Goal 3: Promote a variety of moderate income housing options in the City that are compatible with neighborhood character, including rental and ownership opportunities, and a variety of housing types such as multi-family, duplex, and single-family detached units.**

**Objective:** Modify existing and/or adopt new regulatory measures to encourage the development of moderate income housing and reduce production cost.

**Policies:**

- 1) Provide for moderate income housing opportunities within the land use development ordinances.
- 2) Encourage flexibility and innovation in the interpretation of local building codes to allow for the use of different building materials and new technologies.
- 3) Streamline the local administrative development review and permitting process to allow for cost reductions.
- 4) Update moderate income housing needs with current data when Census housing information is available.
- 5) Encourage the development of moderate income housing in small complexes and concentrations of buildings, appropriately distributed and integrated into the whole community.
- 6) Acknowledge the economic and social consequences that large-scale or concentrated low-income housing developments place on neighboring households and/or local communities and update local land use ordinances to combat potential negative effects.
- 7) Permit moderate income housing in Richmond in compliance with local land use ordinances so long as the specific unit type and design is consistent with the character of the surrounding neighborhood.
- 8) Encourage adaptive re-use and mixed-use projects to stimulate moderate income housing and economic development.
- 9) Explore the costs/benefits of allowing accessory dwelling units in single-family zones.
- 10) Consider adopting local rehabilitation codes to maintain existing housing stock to encourage neighborhood revitalization.

**Goal 4: Support fair housing practices through education and awareness**

**Objective:** Provide Educational Resources for Low and Moderate Income Residents.

**Policies:**

- 1) Educate low-to-moderate income residents regarding the Bear River Regional Housing Authority administered by Bear River Association of Governments (BRAG) which offers HUD Section 8 Rental Assistance Programs to eligible renters who reside in Box Elder, Cache, and Rich Counties.
- 2) Become familiar as local officials and city staff regarding available housing assistance resources.
- 3) Provide information on the First-time Homebuyer Program administered by BRAG.
- 4) Provide information on the housing repair and rehabilitation program administered by BRAG and USDAs Rural Development Agency.
- 5) Commit to combat unfounded negative perceptions of moderate income housing by helping residents become educated about and understand the economic value of having diversified housing choices in our community.