

PART 12-490

MODERATE INCOME HOUSING PLANSECTION 12-490-1. CENTERVILLE CITY MODERATE INCOME HOUSING
PLANNING PROCESS

1. OVERVIEW

In August of 2001, Centerville City and the Wasatch Front Regional Council entered into an Interlocal Cooperation Agreement whereby Regional Council staff would provide the City with various housing related data, analysis, and technical assistance. These services were intended to provide Centerville with information which could be used by City officials to develop a plan for moderate income housing in compliance with Utah state law. During September of 2001, an analysis of available housing and income data was prepared which identified the existing supply of and estimated future need for moderate income housing in the community. In general terms, this analysis indicates that the present supply of moderate income housing is at least adequate to meet the existing need in the community. However, given existing property values, construction trends, current and projected zoning, and other factors, meeting demands for moderate income housing in the near future will likely become increasingly difficult. In addition, some changing demographic characteristics indicate that there may be increased demands for more variety in the type of housing generally available in the City.

At a joint meeting of the Centerville City Council and Planning Commission in October of 2001, the findings of the moderate income housing analysis were reviewed and discussed. Also discussed were some potential methods the City could use to help encourage the construction of additional moderate income housing in the community. At this meeting it was decided that more information and analysis of potential strategies for providing moderate income housing would be needed in order for the City to develop a meaningful moderate income housing plan.

During November 2001, various strategies for encouraging the development of moderate income housing were identified and the potential applicability of each strategy in Centerville was evaluated. Later that month, the various strategies were discussed at another joint meeting of the Centerville City Council and Planning Commission. As a result of that discussion, it was

determined that several strategies were likely to be most appropriate for Centerville. These strategies included allowing accessory units in existing homes under certain circumstances, the possible creation of more flexible zoning classifications in the City, and the possible use of incentives of some kind to encourage the development of moderate income housing.

After extensive review and discussion, the Centerville City Council approved the framework of a moderate income housing plan based on the data and analysis generated through the evaluation process, and with the strategies identified above providing a potential basis for increasing opportunities for the development of moderate income housing in the community. Incorporation of these strategies into City ordinances or other administrative processes will be the next step in implementing this plan.

This document contains the data, analysis, and other information which have been generated and evaluated in the process of addressing moderate income housing issues in Centerville. The Centerville City Moderate Income Housing Analysis, which was prepared in September 2001, is included as Section 3. The Analysis of Potential Strategies to Provide Opportunities for the Development of Moderate Income Housing, which was prepared in November 2001, is included as Section 4. Also included as Section 2 of this document is an Executive Summary which outlines the general findings and conclusions of the Centerville City moderate income housing planning process. Information shown in ***bold italics*** in this document represents language taken directly from the Utah state moderate income housing planning statute (Section 10-9-307 of the Utah Code).

SECTION 12-490-2. CENTERVILLE CITY MODERATE INCOME HOUSING PLAN
- EXECUTIVE SUMMARY

1. Introduction

Utah state law, as set forth in Section 10-9-307 of the Utah Code, requires local jurisdictions to prepare and adopt plans for moderate income housing in their communities. The law defines a plan for moderate income housing as being ***a written document adopted by the municipal legislative body that includes:***

- (a) ***an estimate of the existing supply of moderate income housing located within the municipality;***

- (b) **an estimate of the need for moderate income housing in the municipality for the next five years as revised annually;**
- (c) **a survey of total residential zoning;**
- (d) **an evaluation of how existing zoning densities affect opportunities for moderate income housing; and**
- (e) **a description of the municipality's program to encourage an adequate supply of moderate income housing.**

The first four of these five required plan elements were directly addressed in a Centerville City Moderate Income Housing Analysis which was prepared in September 2001. In this analysis, various income and housing related data were evaluated to determine existing and future needs for moderate income housing, and to identify how City zoning requirements and other regulations impact the potential to develop moderate income housing in the community. This analysis produced a number of general findings which are summarized below.

2. General Findings of the Centerville City Moderate Income Housing Analysis

- (a) It is estimated that approximately 20 percent of Centerville's residents live in households that are considered moderate income. Analysis of recent real estate sales activity and data from the Davis County Assessor's Office indicates that roughly 20 percent of the housing units in Centerville may be affordable to moderate income households. Thus, while moderate income housing in the city is limited, the current supply appears to be at least adequate at the present time.
- (b) The current supply of moderate income housing is comprised primarily of housing units constructed prior to 1990. Recent sales activity suggests that many of these units are condominiums as opposed to single family homes. It is estimated that less than 10 percent of the housing constructed in the city since 1990 is likely to be affordable to moderate income households.
- (c) It is assumed that the moderate income population of Centerville will remain at approximately 20 percent in the near future. This means that as the

city's population grows, so too will the actual number of moderate income households. As a result, it is estimated that approximately 20 percent of the new housing units built in the near future would need to be affordable to households with moderate incomes in order to meet expected needs.

- (d) The average costs for real estate and housing in Centerville are among the highest in Davis County. Given these existing property values, current and projected zoning, construction trends and other factors, it is unlikely that 20 percent of the housing built in the near future will be affordable to moderate income households.
- (e) Approximately 80 percent of the city's existing housing stock is single family homes. In addition to an expected increased demand for more affordable housing in the near future, initial data from the 2000 U.S. Census point to demographic factors which may create demand for a wider variety of housing types as well. For example, between 1990 and 2000 there was a reduction in the average household size in Centerville from 3.81 persons to 3.52 persons. Over the same period, the median age in the city increased from 22 to 27.3 years of age. There were significant increases in the relative number of both seniors and young adults as well.
- (f) There is a lack of rental housing in the community, and the supply appears to be getting smaller. In 1990, roughly 15 percent of the city's housing stock was renter occupied. By 2000, only about 10 percent of Centerville's housing was rented. In terms of actual numbers, the number of renter households decreased from 467 in 1990 to 438 in 2000.

The findings summarized above indicate that a shortage of moderate income housing may become a significant community issue in the near future. A general lack of variety in housing options may become a concern as well. As a result, compliance with the state's moderate income housing planning statute will require Centerville to directly address the fifth element of the state law and develop a program aimed at encouraging the development of additional moderate income housing in the community. A comprehensive housing program could also provide opportunities to meet the potential demand for more varied housing options in the City.

At a joint meeting of the Centerville City Council and Planning Commission held October 2, 2001, the data and findings of the Centerville Moderate Income Housing analysis were reviewed and discussed. At that meeting some potential strategies for encouraging the development of moderate income housing were also discussed. It was determined that additional information regarding possible strategies would be needed in order for Centerville to develop a meaningful moderate income housing plan.

3. Potential Strategies to Promote the Development of Moderate Income Housing

During October and November of 2001, various strategies for encouraging the development of moderate income housing were identified and the potential applicability of each strategy in Centerville was evaluated. This process was summarized in a Centerville City Analysis of Potential Strategies to Provide Opportunities for the Development of Moderate Income Housing, which was prepared in November, 2001.

Many of the strategies evaluated in that analysis are techniques which are suggested in the Utah moderate income housing planning law. The state law includes a section which specifies that moderate income housing plans **may provide moderate income housing by any means or combination of techniques which provide a realistic opportunity to meet estimated needs. The plan may include an analysis of why the means or techniques selected provide a realistic opportunity to meet the objectives of this section. Such techniques may include:**

- (a) **rezoning for densities necessary to assure the economic viability of inclusionary developments, either through mandatory set asides or density bonuses;**
- (b) **infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing;**
- (c) **rehabilitation of existing uninhabitable housing stock;**
- (d) **consideration of waiving construction related fees generally imposed by the municipality;**
- (e) **utilization of state or federal funds or tax incentives to promote the construction of moderate income housing;**

- (f) utilization of programs offered by the Utah Housing Finance Agency within that agency's funding capacity; and**
- (g) utilization of affordable housing programs administered by the Department of Community and Economic Development.**

In addition to the techniques listed above which are suggested in the Utah state law, several other potential strategies were identified and evaluated. These strategies include:

- (a) Allowing accessory units to single family dwellings as a conditional use in all residential zones.
- (b) Creating more flexible zoning classifications.
- (c) Offering incentives of some kind to encourage the development of moderate income housing.

On November 20, 2001, another joint meeting of the Centerville City Council and Planning Commission was held to review these various strategies and to discuss their potential application in Centerville. At this meeting it was determined that most of the techniques listed in the state law would either have limited usefulness in Centerville, or would be more appropriately utilized by housing providers rather than City government. After extensive discussion, it was decided that the additional strategies of allowing accessory units in existing dwellings, creating more flexible zoning classifications, and the possible use of incentives would provide the most realistic opportunities for the development of moderate income housing in the community.

4. Moderate Income Housing Plan Approval

At the joint meeting of the Centerville City Council and Planning Commission held November 20, 2001, the City Council conceptually approved a moderate income housing plan for Centerville. The plan is based on the evaluation of housing issues identified in the Centerville City Moderate Income Housing Analysis, and on the consideration of various potential strategies to encourage the development of moderate income housing in the community. The three strategies discussed above provide the basis of a program to encourage additional moderate income housing. Incorporation of these strategies into City ordinances or administrative

processes will be the next step in implementing this plan.

SECTION 12-490-3. MODERATE INCOME HOUSING ANALYSIS

1. Introduction

During the 1990's Utah experienced a significant growth in population, particularly in the urbanized "Wasatch Front" portion of the state. According to U.S. Census data, the combined population of Salt Lake, Davis, and Weber counties increased 24.4 percent during that period from a 1990 population of 1,072,227 to 1,333,914 in 2000. Census figures reveal that during the past decade Centerville gained 3,085 new residents, growing from a population of 11,500 in 1990 to 14,585 in 2000. This equates to a total population growth of 26.8 percent, which is a growth rate slightly higher than that experienced by the urbanized area as a whole.

Throughout much of the 1990's the state and region also enjoyed a very sound and expanding economy. One dynamic which accompanied this economic expansion was a tremendous increase in the cost of housing in the area. In Centerville, for example, the average price of a single family home in 1990 was \$85,512.¹ By 2000, the average price of a single family home in the city had more than doubled to \$194,626.²

In response to concerns about the rapid rise in housing costs, the Utah State Legislature passed a law in 1996, which requires local jurisdictions to prepare and adopt plans for moderate income housing in their communities. This law is based on the following legislative position:

The availability of moderate income housing is an issue of statewide concern. To this end:

1 1990 U.S. Census.

2 Wasatch Front Multiple Listing Service, Second Quarter Report, 2000.

Notes: Comparison of data on home values from the 1990 Census and the 2000 Multiple Listing Service is intended to illustrate an "order of magnitude" increase in home prices in Centerville from 1990 to 2000. A more definitive direct comparison with similar data sources is difficult at the present time. The detailed housing characteristics data from the 2000 U.S. Census have not yet been released, and Multiple Listing Service reports prior to 1995 are not readily available.

municipalities should afford a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people desiring to live there; and

moderate income housing should be encouraged to allow persons with moderate incomes to benefit from and fully participate in all aspects of neighborhood and community life.

Moderate income housing is defined in the law as being *housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80 percent of the median gross income of the metropolitan statistical area for households of the same size.*

A plan for moderate income housing is defined in the law as being *a written document adopted by the municipal legislative body that includes:*

- (i) an estimate of the existing supply of moderate income housing located within the municipality;*
- (ii) an estimate of the need for moderate income housing in the municipality for the next five years as revised annually;*
- (iii) a survey of total residential zoning;*
- (iv) an evaluation of how existing zoning densities affect opportunities for moderate income housing; and*
- (v) a description of the municipality's program to encourage an adequate supply of moderate income housing.*

The following discussion addresses the first four of the above items specified by the law and represents an analysis of available data and other information. The analysis presented herein is intended to both meet the requirements of the state law, and to serve as a guide for the discussion and development of a program to encourage an adequate supply of moderate income housing for Centerville in accordance with the fifth item specified in the law.

2. Estimate of the Existing Supply of Moderate Income Housing

To make a reasonable estimate of the existing supply of moderate income housing in Centerville it is necessary to

evaluate the general income and housing characteristics of the community.

(a) Income Characteristics in Centerville

Centerville is a fairly affluent community with an overall median income some 20 percent higher than the county-wide median income for Davis County, and approximately 25 percent higher than the median income for the entire Salt Lake-Ogden metropolitan statistical area (MSA).³ However, when evaluating moderate income housing needs for Centerville the law dictates that the median income figures for the Salt Lake-Ogden MSA be used. As noted in the above definition of moderate income housing, median income varies based on family size. For example, the current median income for a single person in the Salt Lake-Ogden MSA is \$38,000 per year, while the median income for a typical family of four is \$54,313 per year. As also noted above, moderate income households are households which have incomes less than or equal to 80 percent of the median incomes. Thus, the moderate income figures for a single person and a four person household would be \$30,400 and \$43,450 respectively. The current moderate income levels for various household sizes are shown in Table 1 below.

3 1990 U.S. Census, Wasatch Front Regional Council, Wasatch Front Socioeconomics, 1999.

Notes: Income data from several sources were evaluated to illustrate that, in general terms, incomes in Centerville tend to be higher than many other communities in the Wasatch Front area.

**Table 1.
Moderate Income Levels by Household Size**

<u>Household Size</u>	<u>Moderate Income Level</u>
One Person	\$30,400 per Year
Two Persons	\$34,750 per Year
Three Persons	\$39,100 per Year
Four Persons	\$43,450 per Year
Five Persons	\$46,900 per Year
Six Persons	\$50,400 per Year
Seven Persons	\$53,850 per Year
Eight Persons	\$57,350 per Year
Nine Persons	\$60,850 per Year
Ten Persons	\$64,300 per Year

According to the 1990 Census, 19.72 percent of Centerville's residents resided in households with total incomes at or below the moderate income level. By way of comparison, the 1990 moderate income level for Davis County as a whole was 29.57 percent. Income data from the 2000 Census are not yet available. The anticipated release date for these data is July 2002. It is assumed that the current proportion of Centerville's population that is moderate income is similar to that of 1990.

Tax return information from the Utah State Tax Commission for 1999 was analyzed to see if an interim determination of moderate income characteristics for the city could be made. The information available from the Tax Commission is fairly general and does not indicate family size. In addition, the information is based on adjusted gross income for tax purposes rather than total household income. However, analysis of this information using some general assumptions to account for the modification in income levels has indicated that approximately 22.6 percent of the population may fall at or below the moderate income level. Given this figure and the 19.72 percent figure reported in the 1990 Census, it is estimated that approximately 20 percent of the current Centerville population reside in households with incomes at or below the moderate income level. Again, income data from the 2000 Census should be released within the next year, and this estimate can be updated when that information is made available.

As has been discussed, the state law specifies that local housing plans be developed which address the needs of those with moderate incomes (80 percent of median). It is obvious that those with low incomes (50 percent of median) and very low incomes (30 percent of median) are likely to face even more difficult housing challenges. Analysis of the Tax Commission data from 1999 indicates the following potential distribution of Centerville households within these income categories:

<u>Income Category</u>	<u>Percent of Households</u>
Moderate Income (50-80% of median)	9.7
Low Income (30-50% of median)	4.3
Very Low Income (below 30% of median)	<u>8.6</u>
Total Low and Moderate Income	22.6

(b) Housing Characteristics in Centerville

While there is a solid commercial base in the southern portion of the city and a developing light industrial area to the west of I-15, Centerville is primarily a suburban residential community. Most developed properties in the city are in residential use, and the vast majority of those are single family homes.

According to the 2000 Census, there are 4,280 total dwelling units in Centerville. In 1990, the Census reported 3,088 dwelling units in the city. This increase of 1,192 units represents a 38.6 percent growth in the city's total housing stock from 1990 to 2000.

At the time of the Census 4,138 of the city's 4,280 total housing units were occupied, indicating a 3.3 percent vacancy rate. With a total population of 14,585 in 2000, Centerville's average household size is determined to be 3.52. This is a decrease from the 1990 average household size of 3.81.

As noted above, the vast majority of the dwelling units in Centerville are single family homes. According to the 1990 Census, single family homes accounted for approximately 78 percent of the city's housing stock. Multi-family units such as apartments and condominiums accounted for much of the remaining 22 percent of the housing. There is a small mobile home park in the community which

contains approximately 50 units. Detailed data on housing characteristics collected from the 2000 Census have not yet been released. As a result, a direct comparison of data on housing type between the two Census counts is not yet possible. However, analysis of building permit activity since 1990 indicates that recent housing construction in Centerville may be even more heavily weighted towards single family homes. Housing characteristic data from the 2000 Census are expected to be released next year along with the income data.

On a statewide basis, the rate of home ownership in Utah is one of the highest in the country at approximately 70 percent. In Centerville the rate of home ownership is extremely high at nearly 90 percent. Conversely, renter occupied units make up only about 10 percent of the city's housing stock. In 1990, renters comprised 15 percent of the households in Centerville. In terms of actual numbers, the number of renter households decreased from 467 in 1990 to 438 in 2000. This would indicate that there has been essentially no construction of rental units in Centerville since 1990. This would also indicate that a number of previously rented units have likely been sold and are now owner occupied.

As noted previously, the current average sales price of a single family home in Centerville is approximately \$195,000. Given the moderate income figures for various family sizes shown previously in Table 1, it is likely that no moderate income family could afford to purchase a single family home in Centerville at the average sales price under typical financing arrangements. Shown below are some examples of home purchase prices affordable to moderate income households of various sizes.⁴

4 Washington Mutual, Bountiful Financial Center.

Notes: Moderate income home purchase prices assume a 30 year conventional loan at 7 percent interest, and allowing 33 percent of income to be applied to housing costs.

<u>One Person Household</u>	<u>Four Person Household</u>	<u>Seven Person Household</u>
\$ 91,300	\$ 130,540	\$ 162,700

The question then becomes, are there homes in Centerville that moderate income households could afford to purchase? To help answer this question an analysis of data from the Wasatch Front Multiple Listing Service (MLS) was conducted to help identify more closely the sales and asking prices of residential properties in Centerville. Residential real estate activity from January 2000 to August 2001, was evaluated. During this period there were 497 new listings and 229 sales. Of these sales, 183 (80 percent) were single family homes and 46 (20 percent) were condominium units.

Given the Centerville average household size of 3.52 persons, this analysis assumes that any housing unit available for under \$120,000 would likely be affordable to the majority of moderate income households in the community. Of the 183 single family homes sold since January 2000, only 6 (3.3 percent) sold for less than \$120,000. However, of the 46 condominium units that were sold, 33 (76.7 percent) sold for less than this amount. Taken as a whole, 39 (17 percent) of the housing units sold during this period were sold for less than \$120,000. Additionally, of the 497 housing units listed since January 2000, 83 (16.7 percent) were in this price range.

Home sales and listing prices reported by the MLS for homes between \$100,000 and \$300,000 are aggregated in \$20,000 increments. For homes sold or listed for more than \$120,000 the next reporting increment is \$120,000 to \$139,999. As noted, a moderate income family of four could afford to pay up to \$130,540 for a home. In addition, larger families with higher, yet still moderate incomes could qualify to purchase homes above that amount. Therefore, it is assumed that many of the homes in the \$120,000 to \$139,999 price range are likely to be affordable to many moderate income households. Of the 183 homes sold since January 2000, 21 (11.5 percent) were in this price range, and of the 46 condominium units sold, 6 (13 percent) were also in this price range.

In total, 28.8 percent of all housing units sold between January 2000 and August 2001, sold for less than \$140,000. In addition, 26.2 percent of all housing units listed during that time were listed at prices below \$140,000. Given the estimate that approximately 20 percent of the population of Centerville can be considered moderate income, it would appear that, at the present time, there is an adequate supply of moderate income housing in the community.

To help corroborate this finding, data on residential properties in Centerville from the Davis County Assessor's Office were evaluated. These data indicate that 14.8 percent of all single family homes and condominium units in Centerville have assessed market values below \$120,000. An additional 15.7 percent of the city's dwelling units have assessed values between \$120,000 and \$139,999. Therefore, according to the Davis County Assessor's Office, 30.5 percent of the single family homes and condominium units in Centerville have assessed market values below \$140,000.

It should be noted that due to the time involved in the assessment process, the Assessor's market values tend to lag behind actual sales values. The Assessor's data showing that 30.5 percent of Centerville's dwelling units have assessed market values below \$140,000 equates to 1,262 units. Even an assumption that 20 percent of these units have potential sales values exceeding \$140,000 would leave 1,010 units with values below that amount. Modifying the Assessor's data using this assumption reveals that 24.4 percent of Centerville's single family homes and condominium units have likely sales values below \$140,000. Again, this would seem to indicate that, in general terms, there is currently an adequate supply of moderate income housing available in the community.

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

As has been discussed previously, it is estimated that approximately 20 percent of the households in Centerville are likely to meet the definition of moderate income. As has also been noted, a more definitive figure based on income data from the 2000 Census should be available by

July 2002. The 20 percent moderate income estimate is based, in part, on the assumption that the current moderate income characteristics of the city are similar to those of 1990. Given this assumption, it is reasonable to assume that the moderate income population of the community in five years will also be approximately 20 percent. This means that as the city continues to grow so will the actual number of moderate income persons and households. Thus, approximately 20 percent of the new housing constructed each year should be affordable to moderate income households in order to meet anticipated needs.

The overall annual rate of growth in housing units in Centerville from 1990 to 2000 was approximately 3.2 percent per year. A similar 3 percent annual growth in housing units over the next five years would result in 680 new dwellings. Of these, 136 would need to be affordable to moderate income households to meet anticipated needs. With the recent economic slowdown, a 2 percent annual growth in housing units over the next five years may be more realistic. At this rate, 445 new units would be built, 89 of which should be affordable to those with moderate incomes.

(a) Factors Affecting the Provision of Moderate Income Housing

Planning and policy decisions, and the manner in which zoning classifications and their underlying requirements are applied to property are tools local governments use to guide development in their communities. As a result, the actions of local governments directly impact the type of housing that is developed and, in turn, can have an impact on the potential to develop moderate income housing. Some of the impacts of Centerville's zoning and other ordinances in this regard are discussed in the following sections of this document.

In addition to regulatory actions, there are other factors which play a role in defining the character of residential development. The dynamics of the local real estate market, for example, or community perceptions and desires regarding housing can affect housing development in numerous ways, including the opportunity to develop moderate income housing. In this section, some of these

other housing related factors are briefly discussed.

Centerville is considered to be a very desirable community in which to live. As a result, residential property can often be sold at prices significantly higher than in other parts of Davis County or the Salt Lake-Ogden MSA as a whole. As was noted previously, the average home in Centerville currently sells for approximately \$195,000. This is about \$65,000 more than the typical family of four with a moderate income can afford. In addition, a large portion of the housing built during the 1990's tended to be larger, more expensive single family homes. Thus, there is a concern that much of the new residential construction in Centerville is not affordable to moderate income households.

This concern seems to be borne out by the data provided by the Davis County Assessor's Office. These data show that of the 1,192 dwelling units constructed in Centerville during the last ten years, only 54 (4.5 percent) have assessed market values of less than \$120,000. An additional 115 (9.6 percent) of the units constructed in the last decade have assessed market values between \$120,000 and \$139,999. However, as was discussed previously, some of these units may have actual sales values higher than their assessed values due to the time lag inherent in the assessment process. So, while some of the data discussed earlier indicate that there appears to be at least an adequate supply of moderate income housing in the community at the present time, the dynamics of the current real estate market may make meeting estimated future needs increasingly difficult.

In addition to issues associated with the real estate market, there are other factors which can affect the manner in which housing is developed in a community. These factors can include negative perceptions regarding affordable housing in general, or concerns about rental housing in particular. Often there are fears that lower cost housing or rental housing can lead to increases in crime, decreases in property values, or other community problems. This analysis does not directly address these concerns except to note that

problems of this kind are often the result of poor design, construction, siting, maintenance or other deficiencies, and not necessarily due to the cost or tenure of the housing. The primary focus of this analysis is on the elements of the Utah moderate income housing planning law, and the requirement that communities evaluate housing issues as they relate to moderate income persons and families.

As was pointed out earlier, moderate income households are defined as those with incomes less than or equal to 80 percent of the area median income for households of the same size. Those households with incomes well below 80 percent of median are considered to be low or very low income, and will obviously be faced with more difficult housing problems. Many may need specialized housing and other supportive services which are most often provided through area social service agencies and non-profit organizations, not necessarily through the actions of smaller municipal governments. The state law focuses on housing needs of those with moderate incomes that are at or near 80 percent of median. When addressing housing issues faced by this segment of the population, the concerns are more likely to center on the availability and variety of housing in a community which is affordable to employed young adults, senior citizens on fixed incomes, and the families of police officers, fire fighters, school teachers, service industry employees and others with more modest incomes. The policy and regulatory actions of cities can play a role in addressing these concerns by providing an opportunity for a variety of housing to be developed within the local real estate market.

In Centerville, nearly 80 percent of the existing housing stock is comprised of single family homes. Only about 10 percent of the housing in the City is available to renters. There are, however, some interesting demographic trends revealed in the 2000 Census which may generate increased demand for more variety in housing choices in the near future. One of these factors, the reduction in household size from 1990 to 2000, was noted previously. As families get smaller, the demand for larger homes may not be as great.

Another interesting demographic factor is the age of Centerville's population. In 1990, the median age of the population was 22.0 years. By 2000, the median age had increased to 27.3 years. This appears to be a result of both smaller family sizes (fewer children) and the aging of the existing population. In 1990 nearly 45 percent of Centerville's population was under 18 years of age. In 2000, that figure was 35.9 percent. During that same period, however, the number of persons age 20-24 more than doubled. This may generate a demand for smaller, more affordable housing as young adults start families and look to purchase their first homes. In many cases, rental housing may provide the most realistic option for young adults to establish their first homes. As a result, there may be an increased demand for more rental housing as well.

There has also been a significant increase in the number of people age 65 and older in the city. Seniors made up 4.9 percent of the population in 1990. By 2000, seniors accounted for 7 percent of Centerville's population. Continued growth in the senior population may also generate a demand for smaller homes on smaller lots to reduce required maintenance, or for more condominium type developments where yard services are provided. There may also be a demand for more specialized housing such as assisted living facilities. The number of Centerville residents age 75 and older more than doubled between 1990 and 2000. The demographic data from the 2000 Census discussed in the preceding paragraphs is compared to similar data from the 1990 Census and shown below in Table 2.

Table 2.
Comparison of Selected Demographic Data 1990 and 2000

<u>Demographic Factor</u>	<u>1990</u>	<u>2000</u>
Average Household Size	3.81 Persons	3.52 Persons
Median Age	22 Years	27.3 Years
Persons Under 18	5,154	5,242
(Percent of Total)	44.82	35.90
Persons Age 20 - 24	538	1,093
(Percent of Total)	4.68	7.50
Persons Age 65 and Over	567	1,024
(Percent of Total)	4.93	7.0
Persons Age 75 and Over	205	420
(Percent of Total)	1.79	2.90

4. Survey of Total Residential Zoning

There are approximately 1,901 acres of residentially zoned land in the city of Centerville. These acres are currently affected by one of five different residential zoning classifications. The various residential zoning classifications and some of the underlying development parameters are shown in Table 3. Also shown in Table 3, are the number of acres in each zoning classification and the percentage of that zone's acreage relative to the city's total residential zoning.

**Table 3.
Residential Zoning in Centerville**

	Single Family			Multiple Family	
	A-1	R-1-10	R-1-85	R-2	R-3
Lot Size	<u>Single Family</u> .5 Acres	10,000 Ft ²	8,500 Ft ²	8,000 Ft ²	7,500 Ft ² first unit
	Two Family	NA	NA	10,000 Ft ²	2,500 Ft ² each + unit
Lot Width	<u>Single Family</u> 100'	80'	80'	70'	70'
	Two Family	NA	NA	90'	90' + 10'
Front Yard	30'	25'	25'	25'	25' or 30'
Side Yard	10'	10'	8' and 10'	8'	8'
Rear Yard	30'	30'	20'	20'	20'
Gross Density	1.6 du/ac	3.5 du/ac	3.8 du/ac	6 du/ac (max)	10 du/ac
Net Density	2 du/ac	4.35 du/ac	5.12 du/ac	8 du/ac (max)	12 du/ac
Approximate Acres	424.27	738.18	531.41	121.93	85.22 Total 1,901
Percent of Total	22.3	38.8	28.0	6.4	4.5

As seen in Table 3, over 89 percent of the residentially zoned land in Centerville is zoned for single family homes, while only about 11 percent allows multi-family structures. It should be noted that much of the land zoned A-1 (one unit per half acre) is currently vacant. In most cases, development of properties zoned A-1 will occur after requests for zoning changes to zones allowing more dense residential uses have been approved by the city. It should also be noted that roughly half of the property zoned A-1 is located west of I-15 where no residential development is planned.

Centerville City staff have done some preliminary analysis of the residential development potential of existing vacant land east of I-15. This analysis indicates that 259 acres of vacant land could likely be developed into residential uses. Of these 259 acres, 183 are currently zoned A-1. The densities of approved developments will obviously dictate how many residential units are ultimately developed on these acres. However,

development scenarios based on the application of the various existing 'R' zoning classifications have indicated that up to 1,455 new dwelling units could be built. Should housing growth continue at its current rate, residential build out in Centerville could occur in the next 10 to 12 years.

5. Evaluation of Zoning on Opportunities for Moderate Income Housing

Centerville City's zoning and other ordinances were reviewed to determine what impacts their application may have on the potential for the development of moderate income housing. This review has indicated that there exist both positive and negative factors which could impact the opportunity to develop moderate income housing.

(a) Positive Factors

Planned unit developments (PUD's) can be considered and approved in all residential zones as a conditional use. Overall densities of PUD's are limited by the underlying zoning of the property. However, the potential to cluster units tends to reduce infrastructure and other costs which, in turn, can provide a better opportunity to build housing units that are more affordable

The Centerville City zoning classification that allows the greatest residential density is the R-3 zone. As seen in Table 3, this zoning classification currently accounts for only about 4.5 percent of the city's overall residential zoning. However, the R-3 zone does allow a density bonus of 50 percent for the development of affordable housing.

Centerville has recently approved the concept of a mixed use "village center" development on a 50 acre site in the southern portion of the city. This type of development could provide opportunities for a variety of housing types, including moderate income housing. The city is currently exploring the possibility of creating a new mixed used zoning classification. An effective mixed use zoning classification could have the potential for application elsewhere in the city. Centerville is

also considering the possibility of rewriting the existing city zoning ordinance.

(b) Negative Factors

The existing residential zoning in Centerville is predominately single family, and requires relatively large lots. Approximately 89 percent of the existing residentially zoned land is designated for single family homes. Conversely, only about 11 percent of the residentially zoned property allows for the development of multi-family units. With the current high sales prices of land and single family homes in Centerville, continued development of larger single family homes on large lots will likely provide few moderate income housing opportunities.

As was noted above, PUD's can be approved in all residential zones as a conditional use. This process generally includes a design review and the imposition of architectural and material requirements. These requirements, coupled with the time involved in the review process, may add some costs to approved developments.

Any structure containing three or more residential units is a conditional use in Centerville. This is true even in the R-3 zone which would seem to allow such a structure outright if enough property were available. Thus, the potential increase in costs associated with the conditional use process is a factor for allowable multi-family uses.

It should be noted that the application of the conditional use process in Centerville is seen as a mechanism to help ensure that new development is compatible with city's vision for the community. Any costs associated with the process may likely be minimal when compared to the underlying market costs of property and construction.

6. Addendum

At a joint meeting of the Centerville City Council and Planning Commission held October 2, 2001, the data and findings of this Centerville City Moderate Income Housing Analysis were reviewed and discussed. Also discussed were some potential methods the City could use to help

encourage the construction of additional moderate income housing in the community. At this meeting it was decided that more information and evaluation of potential strategies for providing moderate income housing would be needed in order for the City to develop a meaningful moderate income housing plan. In response, various strategies for increasing opportunities for the development of moderate income housing were identified, and the potential use of these strategies in Centerville was evaluated. In November of 2001, an Analysis of Potential Strategies to Provide Opportunities for the Development of Moderate Income Housing was prepared which outlines this evaluation process. This analysis of potential strategies is contained in Section IV of this document. Included in Section IV is a summary of the general findings of this Centerville City Moderate Income Housing Analysis.

SECTION 12-490-4. CENTERVILLE CITY ANALYSIS OF POTENTIAL STRATEGIES TO PROVIDE OPPORTUNITIES FOR THE DEVELOPMENT OF MODERATE INCOME HOUSING

1. Introduction

Utah state law, as set forth in Section 10-9-307 of the Utah Code, requires local jurisdictions to prepare and adopt plans for moderate income housing in their communities. The law defines a plan for moderate income housing as being **a written document adopted by the municipal legislative body that includes:**

- (a) **an estimate of the existing supply of moderate income housing located within the municipality;**
- (b) **an estimate of the need for moderate income housing in the municipality for the next five years as revised annually;**
- (c) **a survey of total residential zoning;**
- (d) **an evaluation of how existing zoning densities affect opportunities for moderate income housing; and**
- (e) **a description of the municipality's program to encourage an adequate supply of moderate income housing.**

The first four of these five required plan elements were directly addressed in a Centerville City Moderate Income Housing Analysis which was prepared in September 2001 and reviewed and discussed at a joint work session of the Centerville City Council and Planning Commission on October 2, 2001. This analysis produced a number of general findings which are summarized below.

2. General Findings of the Centerville Moderate Income Housing Analysis
 - (a) It is estimated that approximately 20 percent of Centerville's residents live in households that are considered moderate income. Analysis of recent real estate sales activity and data from the Davis County Assessor's Office indicates that roughly 20 percent of the housing units in Centerville may be affordable to moderate income households. Thus, while moderate income housing in the city is limited, the current supply appears to be at least adequate at the present time.
 - (b) The current supply of moderate income housing is comprised primarily of housing units constructed prior to 1990. Recent sales activity suggests that many of these units are condominiums as opposed to single family homes. It is estimated that less than 10 percent of the housing constructed in the city since 1990 is likely to be affordable to moderate income households.
 - (c) It is assumed that the moderate income population of Centerville will remain at approximately 20 percent in the near future. This means that as the city's population grows, so too will the actual number of moderate income households. As a result, it is estimated that approximately 20 percent of the new housing units built in the near future would need to be affordable to households with moderate incomes in order to meet expected needs.
 - (d) The average costs for real estate and housing in Centerville are among the highest in Davis County. Given these existing property values, current and projected zoning, construction trends and other factors, it is unlikely that 20 percent of the housing built in the near future will be affordable to moderate income households.

- (e) Approximately 80 percent of the city's existing housing stock is single family homes. In addition to an expected increased demand for more affordable housing in the near future, initial data from the 2000 U.S. Census point to demographic factors which may create demand for a wider variety of housing types as well. For example, between 1990 and 2000 there was a reduction in the average household size in Centerville from 3.81 persons to 3.52 persons. Over the same period, the median age in the city increased from 22 to 27.3 years of age. There were significant increases in the relative number of both seniors and young adults as well.
- (f) There is a lack of rental housing in the community, and the supply appears to be getting smaller. In 1990, roughly 15 percent of the city's housing stock was renter occupied. By 2000, only about 10 percent of Centerville's housing was rented. In terms of actual numbers, the number of renter households decreased from 467 in 1990 to 438 in 2000.

The findings summarized above indicate that a shortage of moderate income housing may become a significant community issue in the near future. A general lack of variety in housing options may become a real concern as well. As a result, compliance with the state's moderate income housing planning statute will require Centerville to directly address the fifth element of the state law and develop a program aimed at meeting the anticipated demand for moderate income housing in the community. A comprehensive housing program could also provide opportunities to meet the potential demand for more varied housing options in the city.

3. Strategies to Promote the Development of Moderate Income Housing

The development of a comprehensive housing program in Centerville should be based on the careful consideration of the effectiveness and potential applicability of a wide range of techniques and strategies which can create opportunities for a variety of housing, including moderate income housing. In the state moderate income housing law, a number of these techniques are identified. The law includes a section which specifies that moderate income housing plans **may provide moderate income housing by any means or combination of techniques which provide**

a realistic opportunity to meet estimated needs. The plan may include an analysis of why the means or techniques selected provide a realistic opportunity to meet the objectives of this section. Such techniques may include:

- (a) rezoning for densities necessary to assure the economic viability of inclusionary developments, either through mandatory set asides or density bonuses;*
- (b) infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing;*
- (c) rehabilitation of existing uninhabitable housing stock;*
- (d) consideration of waiving construction related fees generally imposed by the municipality;*
- (e) utilization of state or federal funds or tax incentives to promote the construction of moderate income housing;*
- (f) utilization of programs offered by the Utah Housing Finance Agency within that agency's funding capacity; and*
- (g) utilization of affordable housing programs administered by the Department of Community and Economic Development.*

Some of the techniques identified in the law may be useful to municipalities like Centerville. Others are probably best utilized by developers, non-profit agencies involved with housing issues, or larger municipalities which operate housing authorities or other functions more directly associated with the provision of housing. The techniques identified by the state and listed above have been evaluated for their potential applicability in Centerville. Additional techniques have been identified and evaluated as well. The following pages of this document list and briefly discuss these various techniques for providing increased opportunities for the development of moderate income housing.

4. State Identified Techniques

Rezoning for densities necessary to assure the economic viability of inclusionary developments, either through mandatory set asides or density bonuses.

- (a) Rezoning. Centerville's zoning ordinance contains five residential zoning classifications. Three of these zones, the A-1, R-1-10, and the R-1-85, allow single family homes on lots with minimum sizes of one half acre, 10,000 square feet, and 8,500 square feet respectively. The city's R-2 zone allows duplex units to be constructed on lots of at least 10,000 square feet in size. Multi-family units can be constructed as a conditional use in Centerville's R-3 zone provided a minimum of 2,500 square feet of lot area is available for each unit above a single unit base lot size of 7,500 square feet.

Approximately 89 percent of the residentially zoned property in Centerville is zoned for single family home development, while only 11 percent is zoned to accommodate duplex or multi-family uses. However, planned unit developments (PUD's) can be approved in all residential zones as a conditional use.

Centerville City staff have done some preliminary analysis of the residential development potential of existing vacant land east of I-15. This analysis indicates that 259 acres of vacant land could likely be developed into residential uses. Of these 259 acres, 183 are currently zoned A-1. There are only 8.8 acres of vacant land zoned R-2, and none zoned R-3. Based on the existing zoning, it would appear that the potential densities of future housing in Centerville would afford little opportunity for the development of moderate income housing. Thus, it would also appear that the rezoning of some properties to accommodate more dense residential development could play a role in an overall moderate income housing program.

As noted above, much the existing vacant property that has potential for residential development is currently zoned A-1. This zoning classification is limited to single family homes on lots at least one half acre in size. It is likely that much of this property will ultimately be developed after being

rezoned to other residential zoning classifications. The provision of some additional multi-family zoning should be considered as part of the city's rezoning deliberations.

- (b) Density Bonuses. Centerville's existing R-3 zone does allow a 50 percent density bonus for the development of affordable housing. However, there is currently no vacant property zoned R-3 in the city. A similar density bonus could be extended to other residential zones as a way to provide increased opportunities for the development of moderate income housing. For example, a developer submitting a proposal to construct single family homes on a five acre parcel of property could be offered the opportunity to develop a specified number of additional lots if a certain percentage of the overall project included moderate income homes. Some sort of binding commitment on the part of the developer as to the affordable nature of the housing should be a condition of a density bonus or any other incentive.
- (c) Mandatory Set Asides. Mandating that specific properties be set aside for the exclusive development of moderate income housing may have some limited applicability in Centerville. A more appropriate use of set asides would likely be in conjunction with some sort of incentive process such as a density bonus program.

Infrastructure expansion and rehabilitation that will facilitate the construction of moderate income housing.

Municipalities can provide infrastructure capacity to projects dedicated to moderate income housing as a technique to offset development costs and make moderately priced housing a reality. Infrastructure capacity can be funded directly by cities or possibly through state or federal grant programs. Typically projects of this nature are done in conjunction with other techniques, such as tax credits, to ensure that housing that is developed remains affordable. Grants which could fund infrastructure expansion or rehabilitation are available, on a competitive basis, to jurisdictions in Davis County.

The use of infrastructure expansion as a technique to encourage moderate income housing will likely have limited applicability in Centerville. Providing infrastructure capacity to serve a specific project such as a senior citizen complex, or a moderate income housing in-fill development in an existing neighborhood may be appropriate. In these cases, any infrastructure assistance should be based on the developer's use of financing, tax credits or other mechanisms to ensure that the housing provided remains affordable to those with moderate incomes.

Rehabilitation of existing uninhabitable housing stock.

This technique will likely play no role in Centerville's moderate income housing plan. Very little housing of this type appears to exist. Any that does exist will probably be rehabilitated or removed through the actions of private individuals.

Consideration of waiving construction related fees generally imposed by the municipality.

The waiver or reduction of permit fees, hookup fees, impact fees, or other fees associated with construction can be used to help offset development costs and encourage the provision of moderate income housing. While these costs may be small relative to land and construction costs, they could make a difference in whether housing is affordable or not. However, because the cost of fees is relatively small, fee waivers may need to be coupled with other incentives to provide real opportunities for the development of moderate income housing. Again, some binding commitment from the developer to provide moderate income housing would be necessary.

Utilization of state or federal funds or tax incentives to promote the construction of moderate income housing.

There are a number of state and federal programs which can provide grants and low interest loans to help finance housing projects which include a moderate income component. Programs are also available which offer tax credits or other

incentives to develop moderate income housing. These programs are best utilized by developers or non-profit housing providers, rather than municipalities like Centerville. The provision of information to developers regarding these programs may be a useful component of the city's overall moderate income housing plan. Centerville may also consider making the use of a state or federal program a condition for a developer to utilize any city incentives such as density bonuses or fee waivers.

Utilization of programs offered by the Utah Housing Finance Agency within that agency's funding capacity.

This agency is partially funded by the state legislature and operates a variety of affordable housing programs, including a low income housing tax credit program. The agency recently changed its name to the Utah Housing Corporation. Again, the programs and financing administered by this agency are best utilized by housing providers or home buyers, but their use could be encouraged as part of Centerville's moderate income housing plan.

Utilization of affordable housing programs administered by the Department of Community and Economic Development.

The state Department of Community and Economic Development (DCED) administers a variety of state and federal programs which can help develop, support, operate, or otherwise assist in the provision of affordable housing. As with some of the programs listed above, these programs are probably best utilized by developers, non-profit housing providers or public housing authorities, rather than by local jurisdictions like Centerville. Again, information about these programs and their potential use in Centerville could be a part of the city's moderate income housing plan.

(d) **Other Techniques**

Allow accessory units to single family dwellings as a conditional use in all residential zones.

The use of accessory units throughout the community could potentially provide a significant source of moderate income housing and, at the same time, address some other potential housing needs. According to data from the 2000 Census, the number of seniors in Centerville has doubled in the last ten years. The ability to rent out an accessory unit may enable some older city residents on fixed incomes to remain in their homes and stay in the community. For others, it may offer a means to have someone live on the property who can help with yard care and other property maintenance.

Data from the 2000 Census indicates that the number of young adults in Centerville has increased significantly as well. Accessory units in existing residences may provide an attractive option for young people looking to establish their first home, while at the same time enabling them to remain in the community near family and friends.

The recent Centerville City Moderate Income Housing Analysis found that from 1990 to 2000 the percentage of the city's housing stock available to renters decreased from 15 percent to 10 percent. The use of accessory units could serve to increase the amount of rental housing available in the community. Because accessory units would be conditionally approved in existing homes or on existing properties, these additional rental units would blend into the design and appearance of existing neighborhoods.

Centerville City will need to examine a number of factors should an accessory unit policy be developed. Building code and health/safety issues would need to be addressed. Design issues such as the placement and location of access to the units and additional parking should be considered as well. Also, a mechanism to ensure that the property owner continues to reside on the property should be implemented.

(1) Create more flexible zoning classifications.

As noted previously, the state law identifies increasing zoning densities as a technique for providing realistic opportunities for the development of moderate income housing. As

also noted, nearly all of the vacant property in Centerville with potential for residential development is zoned for single family homes. In some cases it may be appropriate to rezone property to the city's existing R-2 or R-3 zoning classifications to accommodate multi-family housing development. However, the creation of new zoning classifications which encourage more flexibility in lot size, building setback, uses, circulation features, and other criteria may be more desirable and provide similar opportunities for the development of moderate income housing.

Centerville is currently considering a mixed use zoning classification for possible application to the proposed village center area. A mixed use zoning classification may provide increased opportunities for the development of moderate income housing in that project. Such a zoning classification may have the potential for use at other locations in the city as well.

Broader opportunities for the development of moderate income housing, and for more variation in housing in general, may be realized through the creation of more flexible residential zoning classifications. Current zoning requirements dictate minimum lot size, street frontage and building setbacks among other things. In designing residential projects, developers are encouraged to meet, rather than exceed or deviate from, those minimum requirements in order to maximize the return on their investment. As a result, if a zone calls for a minimum lot size of 10,000 square feet, there is a high likelihood that essentially every lot in a proposed subdivision will be approximately 10,000 square feet. It is also likely that the lots will be configured to meet minimum frontage requirements enabling homes to just meet minimum setback distances. The result is that extensive areas can often be developed with very little difference from one property to the next. Thus, there is often little opportunity for a variety of housing, including moderate income housing.

Residential zoning classifications which promote a variety of lot sizes and offer more flexibility in siting housing units on those various lots could offer the potential for more interesting residential developments. More flexible zoning classifications based on performance standards could provide even more opportunities for variety in housing. In these zones standards such as overall density could be established, and developers are then given broad latitude to design creative projects which meet those basic performance criteria subject to review and approval by the city. Implementing flexible performance based zoning or encouraging developments to provide lots of varying sizes may result in slight increases in density, yet could significantly increase the opportunities for a greater variety of housing, including moderate income housing.

The Envision Utah planning partnership project has produced a set of tools and model codes to help plan and guide quality growth in the Wasatch Front area. These documents contain an in depth analysis of housing needs and the effect various zoning practices have on meeting those needs. It is pointed out that at various points in the life cycle of persons and families there are often distinct needs and preferences for different housing types. Providing people with a range of housing choices can help meet these needs and provide many positive aspects to communities and families.

The Envision Utah analysis also points out that the current process of planning and zoning often conflicts with the proper functioning of the housing market by reducing housing options. For example, it is estimated the over the next 20 years the demand for housing in the Wasatch Front would require that new housing be constructed in the following manner: 60 percent single family houses; 26 percent apartments; and 14 percent townhouses and duplexes. If zoning remains constant, the supply of new housing built in the next 20 years along the Wasatch Front

would yield the following housing mix: 77 percent single family houses; 14 percent apartments; and 9 percent townhouses and duplexes. The current zoning applied to existing vacant land with residential development potential in Centerville is almost exclusively single family.

The Envision Utah analysis discusses strategies which allow zoning to be more flexible and responsive to the demands of the housing market. Review of the Envision Utah efforts would be a good starting point if the city wishes to explore the possibility of creating more flexible zoning classifications.

(2) Incentives

A major issue affecting the provision of moderate income housing in Centerville is the relatively high cost of land in the community. Because land in Centerville is often very expensive, techniques such as increasing densities or allowing for a certain percentage of smaller lots, may not result in the development of moderate income housing. In order to ensure that some moderate income housing is developed, city incentives, such as density bonuses or the waiver of fees, may need to be coupled with a developers use of some of the financing or tax credit programs identified by the state.

Incentives offered by the city could also be linked to a developer's commitment to make a specified number of building lots available to moderate income housing providers. There are a number of such providers active in the area, including the Utah Nonprofit Housing Corporation, the Utah Housing Coalition, the Community Development Corporation of Utah, Habitat for Humanity, and many others.

In Davis County a nonprofit affordable housing coalition has recently been formed. This organization is in the process of establishing what is called a

community land trust. The organization will acquire existing homes and build new ones. These homes will be sold to qualified moderate income families. The homes will be sold at affordable rates because the land will not be sold with the home, it will instead be held in the community land trust. In this way a home that may otherwise be unaffordable is made available to a moderate income family, and the home remains affordable and well maintained because the land trust keeps an interest in the property. Through their technical training programs, each of the high schools in the Davis County School District will be building a home per year to sell to the land trust. City incentives could be extended to developers who make building lots available for the land trust program.

5. Addendum

On November 20, 2001, a second joint meeting of the Centerville City Council and Planning Commission was held to further discuss moderate income housing issues in the community. A major focus of this discussion was the Analysis of Potential Strategies to Provide Opportunities for the Development of Moderate Income Housing presented above. The various strategies identified in this analysis were evaluated to determine what role they might play in the formulation of a program to address moderate income housing concerns in Centerville. After evaluating these strategies, it was concluded that most of those suggested in the Utah state law would likely have limited applicability in this regard. However, several other strategies appear to have the potential to provide some realistic opportunities for the development of moderate income housing, and at the same time address other housing issues in the community. These strategies include:

(a) Allowing accessory units to single family dwellings as a conditional use.

Enabling accessory units to be established in single family homes under certain circumstances could result in the creation of moderate income

housing and, at the same time, expand the stock of rental housing available in Centerville. Because accessory units would be conditionally approved in existing homes, these additional housing units would blend into the design and appearance of existing neighborhoods.

(b) Creating more flexible zoning classifications.

Current zoning requirements dictate very specific development standards such as lot size, building setbacks, housing type, and so on. Removing rigid zoning requirements and establishing more flexible zoning classifications based on general performance standards would enable housing providers to creatively explore a range of housing options in the design of new housing projects. This flexibility could increase the potential for the development of more varied housing opportunities in the community, including the opportunity for additional moderate income housing.

(c) Using incentives to encourage the development of moderate income housing.

Because of the relatively high cost of land in Centerville, incentives of some sort could be offered to housing providers to encourage the development of housing that is more moderately priced. Density bonuses or the state identified technique of waiving construction related fees are examples of the types of incentives that could be considered. Developers could also be made aware of the various state and federal funding and tax credit programs which can be used to help finance projects that include an affordable housing component.

Centerville City's elected officials, planning commissioners, and administrative staff have committed considerable time and effort to the evaluation of moderate income housing issues in the City. As a result of this process, the City Council on November 20, 2001, conceptually approved a moderate income housing plan for Centerville. The plan is comprised of the data and analysis which were generated to assess moderate income housing characteristics in accordance with the Utah state law, and identifies the three strategies

discussed above as the basis for a program to provide increased opportunities for the development of moderate income housing in the community. Incorporation of these strategies into City ordinances and administrative procedures will be the next step in implementing this plan