



# FRUIT HEIGHTS CITY

## MODERATE INCOME HOUSING REPORT

MARCH 2023

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## SECTION I: INTRODUCTION

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Utah Code 10-9a-403 requires that municipalities include within their General Plan a Moderate-Income Housing element. The moderate-income housing element should include the following:

1. Provide for a realistic opportunity to meet the need for additional moderate-income housing within the next five years.
2. Three or more moderate income housing strategies (as defined in Utah Code) for implementation.
3. An implementation plan.

The requirements related to moderate-income housing are further defined in Utah Code 10-9a-408. This section of Utah Code requires the development of a Moderate-Income Housing Plan (“MIHP”) that provides a description of each housing strategy selected by the municipality and the implementation plan related to these strategies. In order to achieve the objectives of Utah Code related to the moderate-income housing element of the general plan and the MIHR, this report considers the following elements:

- An estimate of the existing supply of moderate-income housing located within the municipality.
- an estimate of the need for moderate-income housing in the municipality for the next five years.
- A survey of total residential land use.
- An evaluation of how existing land uses and zones affect opportunities for moderate-income housing.
- A description of the municipality's program to encourage an adequate supply of moderate-income housing.
- A selection of strategies from a menu list outlined in state code.
- An implementation plan with timelines and benchmarks for the selected strategies.

“Moderate-income housing” is defined in Section 10-9a-103 as “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 for households of the same size in the county in which the city is located.”

The annual reports submitted to the Department of Workforce Services, due October 1, is tied to the City's fiscal year and should outline each MIHP strategy selected by the municipality along with an implementation timeline.

This plan is further expanded to include the following elements:

- MIHP strategies and implementation plans.
- A description of each action, one time or ongoing, taken by the municipality during the previous fiscal year (or past years if applicable) to implement the MIHP strategies.
- A description of each land use regulation or decision made by the municipality during the previous fiscal year (or past years if applicable) to support their MIHP strategies.
- A description of any barriers encountered by the municipality during the previous fiscal year (or past years if applicable) in implementing MIHP strategies.
- A description of how the private sector and market have responded to the selected MIHP strategies, including the number of entitled residential units and other relevant data.
- Information regarding the number of accessory dwelling units located within the municipality issued a business license or construction permit.
- Recommendations on how the state can support the municipality in implementing MIHP strategies.



## SECTION II: EXISTING DEMOGRAPHIC DATA

### HISTORIC POPULATION

The U.S. Census Bureau’s Decennial Redistricting Data (“DEC”) indicate Fruit Heights City (“City”) has experienced an average annual growth rate (“AAGR”) in population of 2.04 percent from 2010 through 2020. This growth is higher than the State of Utah and Davis County at 1.70 percent each. The City has grown by approximately 1,114 persons from 2010 through 2020. Using 2010 through 2020 American Community Survey (“ACS”) 5-year estimates and the Census Bureau’s population estimate (“PEP”) for 2021, **Table 2.1** shows a comparison of similarly sized and neighboring communities.

TABLE 2.1: COMPARISON CITY POPULATION & AAGR

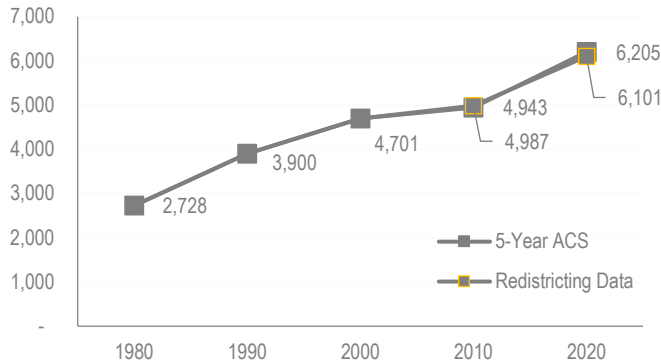
	2010	2011	2012	2013	2014	2015	2016	2017
Bountiful	42,363	42,661	42,674	42,801	42,947	43,221	43,428	43,568
Centerville	15,216	15,362	15,554	15,819	16,104	16,387	16,727	17,013
Clearfield	29,510	29,904	30,086	30,278	30,361	30,299	30,483	30,683
Farmington	18,275	17,723	18,722	19,600	20,440	21,223	21,983	22,616
<b>Fruit Heights</b>	<b>4,943</b>	<b>4,981</b>	<b>5,057</b>	<b>5,191</b>	<b>5,353</b>	<b>5,625</b>	<b>5,840</b>	<b>5,992</b>
Kaysville	26,051	26,728	27,353	27,928	28,480	29,213	29,799	30,328
North Salt Lake	14,986	15,637	16,127	16,493	17,465	18,046	18,753	19,413
South Ogden	15,970	16,251	16,447	16,612	16,702	16,805	16,893	16,918
Syracuse	21,689	22,911	23,914	24,715	25,374	25,977	26,668	27,444
West Bountiful	5,140	5,223	5,259	5,296	5,353	5,394	5,436	5,504
Roy	35,843	36,416	36,854	37,194	37,472	37,670	37,853	38,013

(TABLE 2.1: CONT.)

	2018	2019	2020	2010 – 2020 AAGR (ACS)	2010 (DEC)	2020 (DEC)	2010 – 2020 AAGR (DEC)	2021 (PEP)
Bountiful	43,792	43,901	43,991	0.38%	42,552	45,762	0.73%	45,438
Centerville	17,221	17,404	17,527	1.42%	15,335	16,884	0.97%	16,785
Clearfield	31,016	31,364	31,622	0.69%	30,112	31,909	0.58%	32,238
Farmington	23,208	25,339	24,531	2.99%	18,275	24,531	2.99%	24,775
<b>Fruit Heights</b>	<b>6,100</b>	<b>6,172</b>	<b>6,205</b>	<b>2.30%</b>	<b>4,987</b>	<b>6,101</b>	<b>2.04%</b>	<b>6,091</b>
Kaysville	30,961	31,494	31,957	2.06%	27,300	32,945	1.90%	32,976
North Salt Lake	20,020	20,402	20,721	3.29%	16,322	21,907	2.99%	22,300
South Ogden	17,010	17,063	17,080	0.67%	16,532	17,488	0.56%	17,541
Syracuse	28,342	29,331	30,366	3.42%	24,331	32,141	2.82%	33,331
West Bountiful	5,578	5,627	5,724	1.08%	5,265	5,917	1.17%	5,957
Roy	38,238	39,040	39,243	0.91%	36,884	39,306	0.64%	39,358



FIGURE 2.1: HISTORIC POPULATION



POPULATION STATISTICS 2010-2020

**FRUIT HEIGHTS**

AVERAGE ANNUAL GROWTH = 0.56%  
TOTAL INCREASE = 1,114  
% OF COUNTY INCREASE = 1.98%

**DAVIS COUNTY**

AVERAGE ANNUAL GROWTH = 1.70%  
TOTAL INCREASE = 56,200  
% OF STATE INCREASE = 11.07%

**STATE OF UTAH**

AVERAGE ANNUAL GROWTH = 1.70%  
TOTAL INCREASE = 507,731

Based on the Redistricting Census Bureau AAGR, the 2022 population estimate is 6,231. An analysis of 2019 Traffic Area Zone (“TAZ”) data compiled and updated by the Wasatch Front Regional Council in April 2021 results in a 2022 population estimate of 6,597.

While the TAZ projections start higher than the census estimate of 6,231 in 2022, the AAGR utilized in the TAZ data from 2020 to 2050 is 0.65 percent whereas the Census Bureau AAGR is 1.32 percent. In 2030, the population estimates from the Census Bureau and the TAZ data diverge by 542 residents as shown in **Table 2.2 and 2.3**.

TABLE 2.2: POPULATION PROJECTIONS

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	AAGR
Census Bureau	6,101	6,091	6,231	6,374	6,521	6,671	6,824	6,981	7,142	7,306	7,474	1.32%
TAZ	6,497	6,560	6,597	6,637	6,671	6,697	6,748	6,795	6,844	6,891	6,932	0.65%
<b>Variance</b>	<b>(396)</b>	<b>(469)</b>	<b>(366)</b>	<b>(263)</b>	<b>(150)</b>	<b>(26)</b>	<b>76</b>	<b>186</b>	<b>298</b>	<b>415</b>	<b>542</b>	

TABLE 2.3: TAZ POPULATION PROJECTIONS

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
TAZ	6,497	6,560	6,597	6,637	6,671	6,697	6,748	6,795	6,844	6,891	6,932

TABLE 2.3: TAZ POPULATION PROJECTIONS (CONT.)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
TAZ	6,983	7,032	7,068	7,112	7,164	7,213	7,272	7,321	7,367	7,410

TABLE 2.3: TAZ POPULATION PROJECTIONS (CONT.)

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	AAGR
TAZ	7,452	7,510	7,566	7,610	7,662	7,701	7,750	7,794	7,842	7,883	0.65%

The City’s demographics relative to age have shifted from 2010 to 2020. 2020 data illustrates an older population, with a concentration in 55 to 59 years of age and 65 and older. From 2010 – 2020, there has been a significant decrease in residents between 15 to 34 and 45 to 54 years old as illustrated in **Figure 2.4**. A comparison of the median age illustrates the City is older than the County and State of Utah on average.



FIGURE 2.2: AGE DISTRIBUTION AS % OF TOTAL

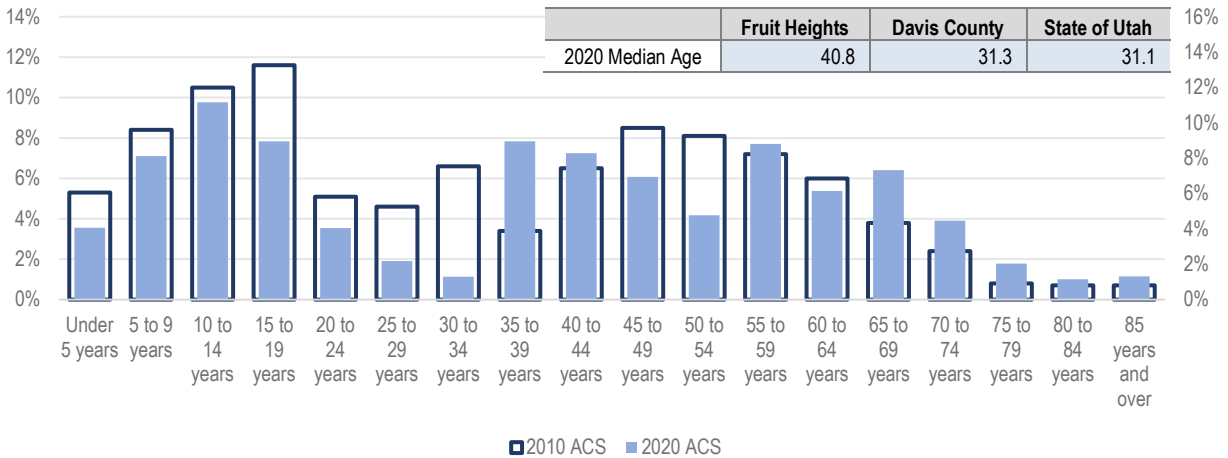


FIGURE 2.3: AGE DISTRIBUTION BY GENDER 2020

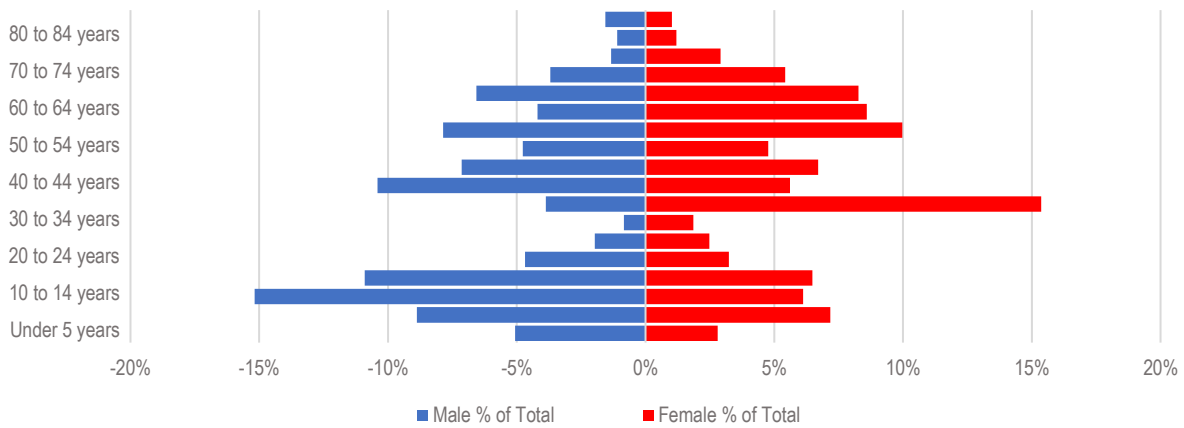
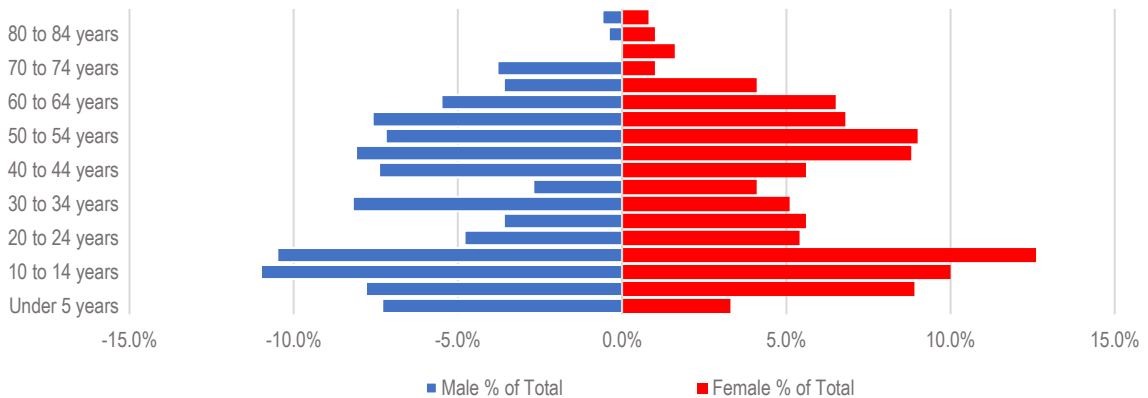
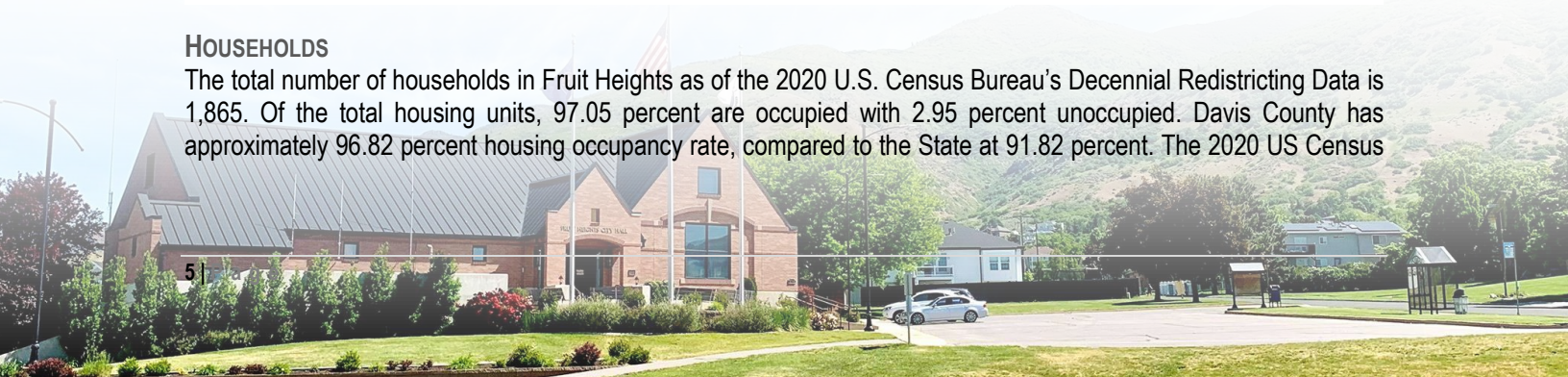


FIGURE 2.4: AGE DISTRIBUTION BY GENDER 2010



### HOUSEHOLDS

The total number of households in Fruit Heights as of the 2020 U.S. Census Bureau's Decennial Redistricting Data is 1,865. Of the total housing units, 97.05 percent are occupied with 2.95 percent unoccupied. Davis County has approximately 96.82 percent housing occupancy rate, compared to the State at 91.82 percent. The 2020 US Census



Bureau American Community Survey estimates the City has 2,124 while TAZ estimates the total number of households as of 2020 as 2,016.

### RESIDENTIAL BUILDING PERMITS AND NEW COMMERCIAL VALUATION

The Kem C. Gardner Policy Institute tracks building permit activity across the State and maintains the Ivory-Boyer Construction Database. Fruit Heights showed a rebound from the 2008-2011 recessionary conditions, with residential permit activity increasing through 2013. However, permits decreased again in 2014 and has stayed relatively constant since through 2021. Commercial development has generally been improvements to existing commercial facilities, such as Cherry Hill, and has remained low. New non-residential value was also volatile with spikes in 2011, 2017, and 2020 as shown in **Figure 2.6**.

FIGURE 2.5: RESIDENTIAL VALUE AND DWELLING UNITS

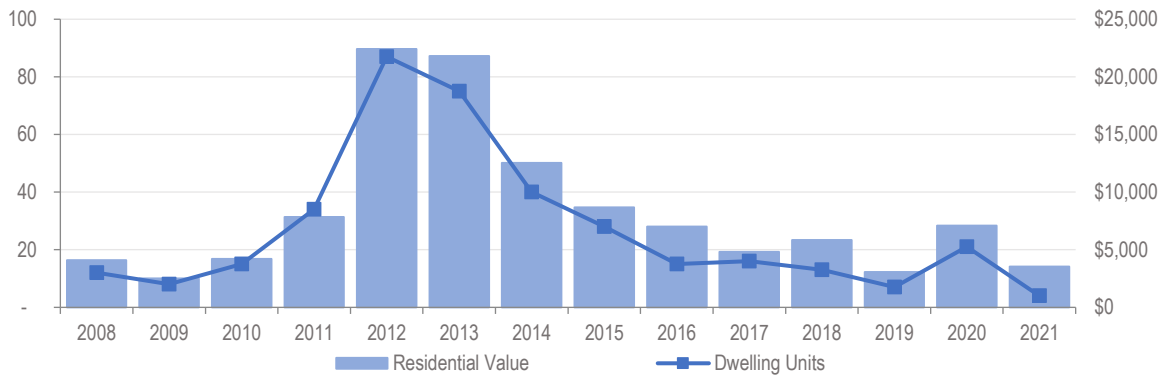
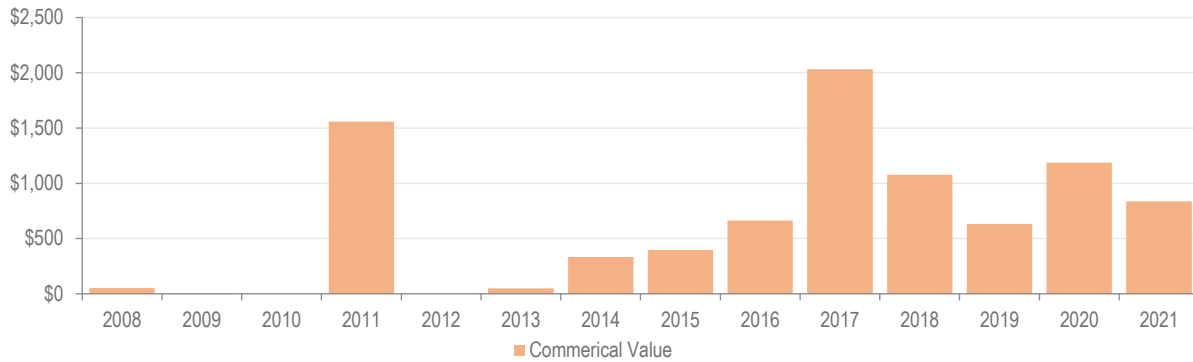


FIGURE 2.6: COMMERCIAL VALUE

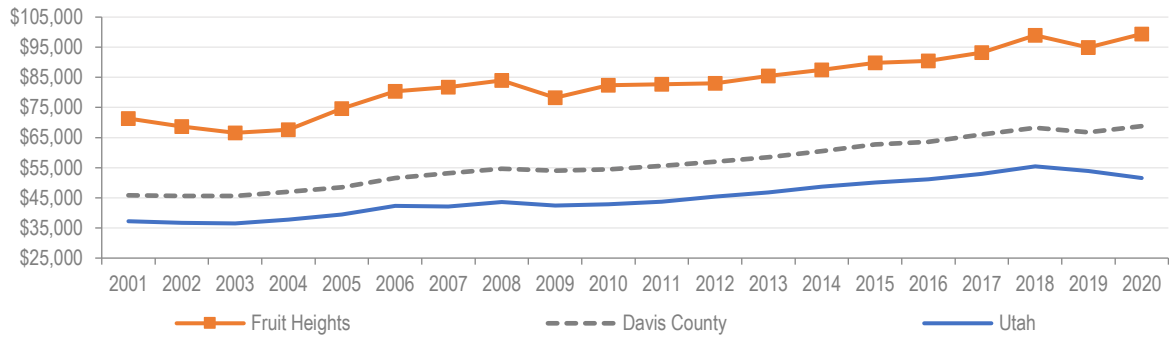


### INCOME

The Utah median adjusted gross income (MAGI) represents an individual's total gross income minus specific tax deductions. **Figure 2.7** illustrates the historic MAGI and corresponding increase. As of 2020, the Utah State Tax Commission reports the Fruit Heights MAGI was \$99,400. The City's MAGI was higher than Davis County's \$68,800. The State MAGI was lower than Fruit Heights and Davis County at \$51,562.



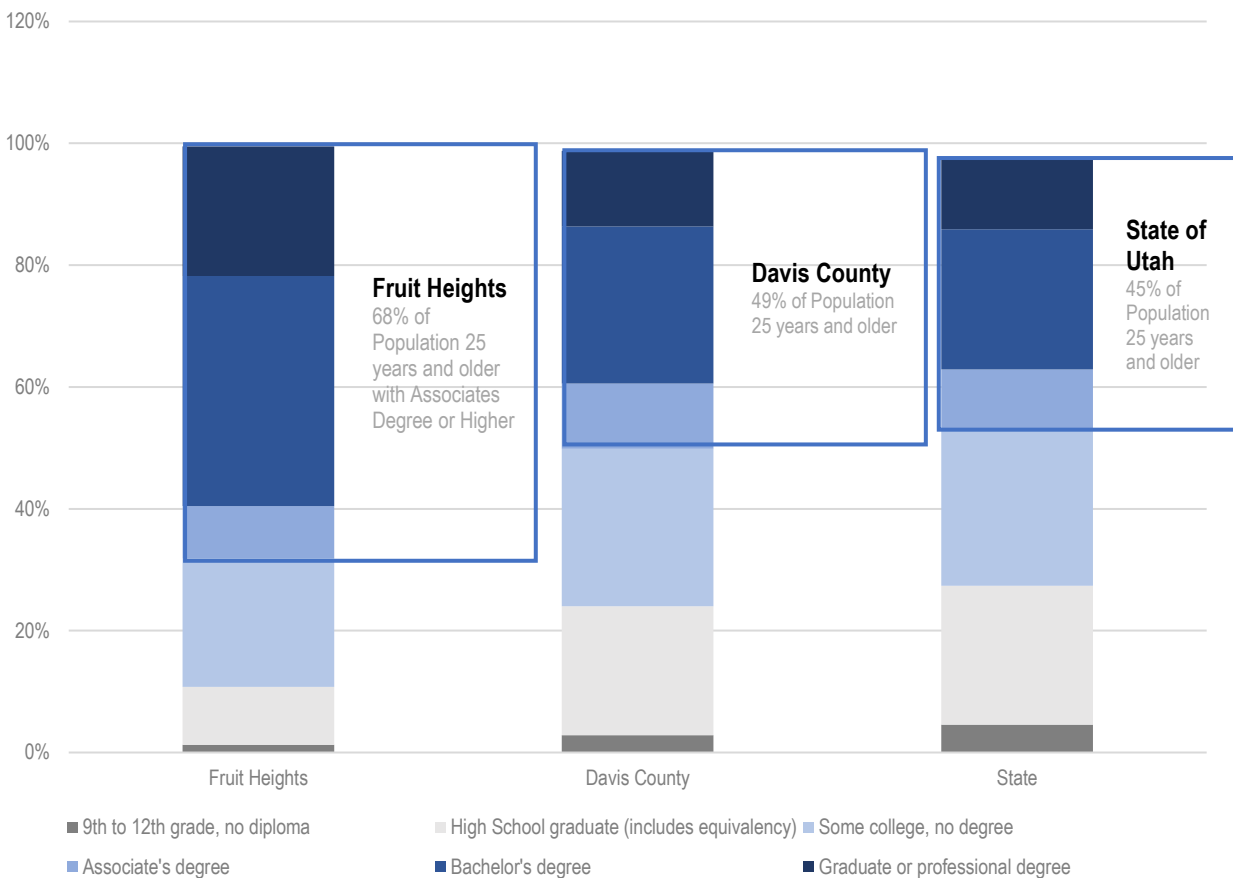
FIGURE 2.7: FRUIT HEIGHTS MEDIAN ADJUSTED GROSS INCOME ("MAGI")



**EDUCATION**

According to the U.S. Census Bureau's 2020 ACS five-year estimates, approximately 68 percent of Fruit Heights population 25 years and older has an associate degree or higher, compared to Davis County with 49 percent and the State of Utah at 45 percent.

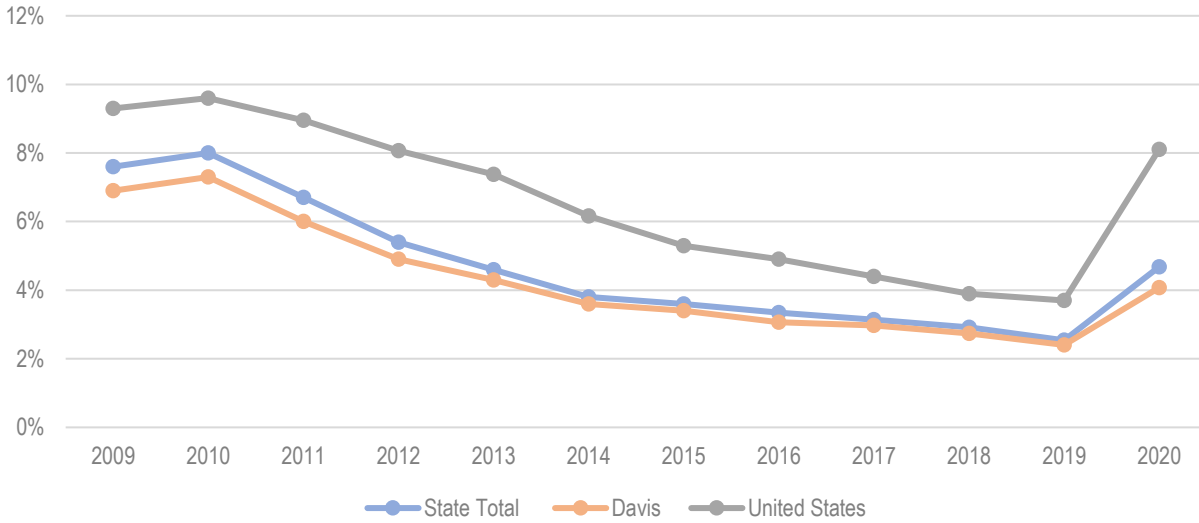
FIGURE 2.8: EDUCATION ATTAINMENT



**EMPLOYMENT**

The Utah Department of Workforce Services' 2020 Annual Report indicates the unemployment rate in Davis County was 4.1 percent as shown in **Figure 2.9**. This is lower than the national average unemployment rate of 8.1 percent. The State of Utah's unemployment rate is more favorable at 4.7 percent. As of August 2022, the unemployment rate in Davis County was 1.9 percent as compared to Utah at 2.0 percent and the United States at 3.7 percent.

FIGURE 2.9: UNEMPLOYMENT



## SECTION III: EXISTING HOUSING DATA

As of the 2021 U.S. Census Bureau Population Estimates, Fruit Heights (“City”) is home to 6,091 residents. The 2020 U.S. Census Bureau American Community Survey reports that Fruit Heights has 2,124 housing units in total, of which 2,052 are occupied units.<sup>1</sup> There are many more homeowners than renters in Fruit Heights, with 89.86 percent of homes owner-occupied. This is due to the large number of single-family homes in the City, and very few multi-family housing units. The City has 1,844 owner occupied units and 208 renter occupied units. Occupied housing has increased at an annual average growth rate (“AAGR”) of 4.12 percent from 2010 through 2020, with owner occupied housing units growing at 3.23 percent and renter occupied units growing at 22.21 percent.

TABLE 3.1: FRUIT HEIGHTS HOUSING UNITS

	2010	2020	AAGR
Total Housing Units	1,370	2,124	4.48%
Occupied Housing Units	1,370	2,052	4.12%
Owner-occupied Units	1,342	1,844	3.23%
Renter-occupied Units	28	208	22.21%

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates; Table(s) B25001, B25032

As shown in **Table 3.2**, 88.3 percent of Fruit Height’s housing stock is single family with 11.7 percent multi-family, mobile home, and other housing types. By comparison, Davis County’s housing stock is comprised of 82.2 percent single family and 17.8 percent multi-family, mobile home, and other housing types.

TABLE 3.2: FRUIT HEIGHTS HOUSING COST BURDEN RATIO

TYPE	OWNER OCCUPIED		RENTER OCCUPIED		TOTAL	% OF TOTAL
Single Family	1,744	94.6%	68	32.7%	1,812	88.3%
2 to 4 Units	48	2.6%	16	7.7%	64	3.1%
5 to 9 Units	0	0.0%	46	22.1%	46	2.2%
10 or more Units	0	0.0%	49	23.6%	49	2.4%
Mobile Home & Other	52	2.8%	29	13.9%	81	3.9%
<b>Total Units</b>	<b>1,844</b>	<b>89.9%</b>	<b>208</b>	<b>10.1%</b>	<b>2,052</b>	<b>100%</b>

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates; Table(s) B25001, B25032

**Table 3.3** indicates 99.2 percent of occupied housing units in Fruit Heights have two or more bedrooms. 75.9 percent of the occupied housing stock has four or more bedrooms.

TABLE 3.3: FRUIT HEIGHTS NUMBER OF BEDROOMS PER HOUSING UNIT

	NUMBER OF UNITS	PERCENT OF TOTAL
No bedroom	0	0.0%
1 bedroom	16	0.8%
2 or 3 bedrooms	479	23.3%
4 or more bedrooms	1557	75.9%
<b>Total</b>	<b>2,052</b>	

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates; Table S2504

A majority of the housing stock in Fruit Heights was constructed between 1960 and 1999. The largest growth occurred between 1970 and 1989 with the construction of 1,028 residential units.

TABLE 3.4: FRUIT HEIGHTS CONSTRUCTION YEAR OF HOUSING UNITS

	NUMBER OF UNITS	PERCENT OF TOTAL
2014 or later	181	8.5%
2010 to 2013	169	8.0%
2000 to 2009	205	9.7%

<sup>1</sup> Most current ACS data available.



	NUMBER OF UNITS	PERCENT OF TOTAL
1990 to 1999	386	18.2%
1980 to 1989	544	25.6%
1970 to 1979	484	22.8%
1960 to 1969	121	5.7%
1950 to 1959	18	0.8%
1940 to 1949	0	0.0%
1939 or earlier	16	0.8%
<b>Total</b>	<b>2,124</b>	

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates; Table DP04

### HOUSING COST BURDEN

The median adjusted household gross income in Fruit Heights is \$99,400. The median adjusted household gross income has grown at an AAGR of 1.90 percent from 2010 through 2020. The Fruit Heights owner-occupied income in 2020 was \$100,111 while renter-occupied income was \$97,583. The renter-occupied median income decreased at an AAGR of 0.19 percent compared to a 3.06 percent increase in median gross rent.

The average monthly housing costs for all owner-occupied housing in Fruit Heights is \$1,612 per the 2020 American Community 5-Year Estimate. Monthly costs for owner-occupied housing units with a mortgage is \$1,966 while those without a mortgage is \$558. The median gross rent in the City is \$1,520. The ratio of the City's median rent to renter income is 18.7 percent as seen in **Table 3.5**. This low rent to renter income ratio could be attributed to minimal rental and high-density housing options and an aging population demographic. The ratio of the City's median mortgage to median household owner income is 23.6 percent. Ratios greater than 30 percent indicate the average renter or household owner is burdened by housing costs. Ratios greater than 50 percent suggest a severe burden. Currently, the overall renter income to rent ratio in Fruit Heights is not considered a burden. However, the ratio is nearing the burden threshold.

TABLE 3.5: FRUIT HEIGHTS HOUSING COST BURDEN RATIO

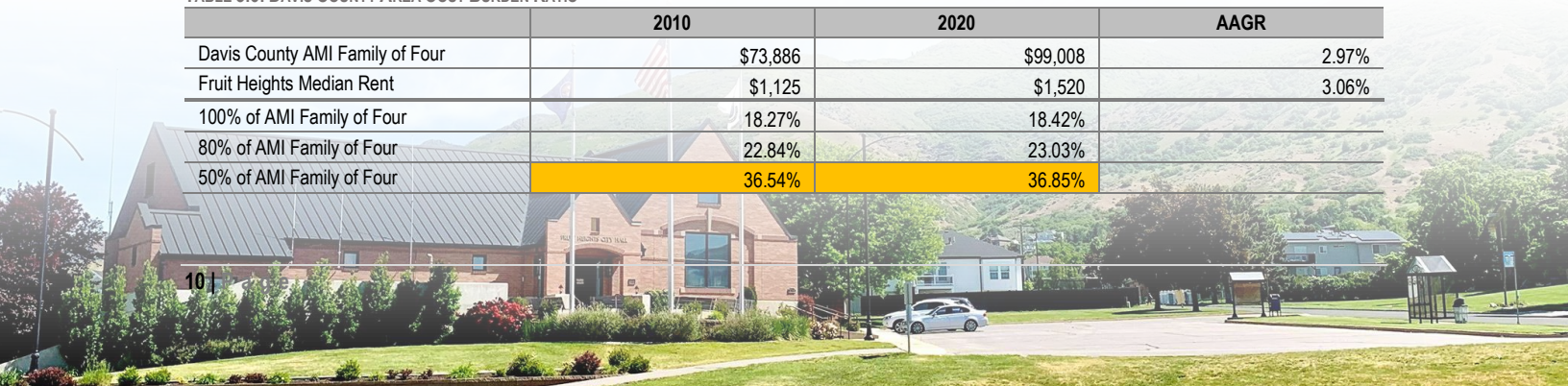
	2010	2020	AAGR
Median Adjusted Gross Income*	\$82,357	\$99,400	1.90%
Median Income	\$102,278	\$98,438	-0.38%
Owner-occupied Median Income	\$102,000	\$100,111	-0.19%
Renter-occupied Median Income	\$118,889	\$97,583	-1.96%
Median Gross Rent	\$1,125	\$1,520	3.06%
Owner-occupied w/ Mortgage Cost	\$1,885	\$1,966	0.42%
Owner-occupied w/o Mortgage Cost	\$427	\$558	2.71%
Median Rent to Renter Income	11.4%	18.7%	
Median Mortgage to Owner Income	22.2%	23.6%	

Source: US Census Bureau, American Community Survey 2016-2020; Table B25119, B25088, \*Utah State Tax Commission, 2020 Statistics of Income; Table 17

The area median income ("AMI") for Davis County for 2020 was \$87,570. The median family income for a family of four in Davis County ("County") is \$99,008. **Table 3.6** represents the ratio of median rent in Fruit Heights at 100 percent of the AMI income for a family of four in Davis County. Ratios greater than 30 percent indicate a burden based on typical housing costs within the County. Ratios greater than 50 percent suggest a severe burden. At 30 percent of AMI, a family of four is burdened and over the severe burden threshold.

TABLE 3.6: DAVIS COUNTY AREA COST BURDEN RATIO

	2010	2020	AAGR
Davis County AMI Family of Four	\$73,886	\$99,008	2.97%
Fruit Heights Median Rent	\$1,125	\$1,520	3.06%
100% of AMI Family of Four	18.27%	18.42%	
80% of AMI Family of Four	22.84%	23.03%	
50% of AMI Family of Four	36.54%	36.85%	



	2010	2020	AAGR
30% of AMI Family of Four	60.90%	61.41%	

Source: US Census Bureau, American Community Survey 2016-2020; Table B19019, B19119

The U.S. Department of Housing and Urban Development annually reviews fair market rents to determine a standard for various housing programs to publish HOME Investment Partnership Program (“HOME”) rent limits. The rent limits for the Ogden-Clearfield HUD Metro FMR Area for 2022 is found in **Table 3.7**.

TABLE 3.7: OGDEN-CLEARFIELD RENT LIMITS

PROGRAM	EFFICIENCY	1 BED	2 BED	3 BED	4 BED
Low HOME Rent Limit	\$811	\$891	\$1,105	\$1,306	\$1,457
High HOME Rent Limit	\$811	\$891	\$1,105	\$1,535	\$1,839
Fair Market Rent	\$811	\$891	\$1,105	\$1,535	\$1,864
50% Rent Limit	\$880	\$942	\$1,131	\$1,306	\$1,457
65% Rent Limit	\$1,124	\$1,206	\$1,449	\$1,665	\$1,839

Source: U.S. Department of Housing and Urban Development, 2022 HOME Rent Limits

### HISTORIC BUILDING PERMITS

The City has issued building permits for 340 units from 2011 - 2021. These include 263 single-family units, 66 condominiums or townhomes, and 11 mobile/manufactured homes. Condominiums or townhomes were constructed sporadically from 2011-2013 and may be an important high density residential option to address moderate income housing needs within the City.

TABLE 3.8: FRUIT HEIGHTS CITY CONSTRUCTED UNITS

YEAR	SINGLE FAMILY	CONDOMINIUM/TOWNHOME	MULTI-FAMILY	MANUFACTURED/MOBILE HOMES	TOTAL CONSTRUCTED UNITS
2011	20	14	0	0	34
2012	47	40	0	0	87
2013	63	12	0	0	75
2014	40	0	0	0	40
2015	23	0	0	5	28
2016	15	0	0	0	15
2017	11	0	0	5	16
2018	13	0	0	0	13
2019	7	0	0	0	7
2020	20	0	0	1	21
2021	4	0	0	0	4
<b>Total</b>	<b>263</b>	<b>66</b>	<b>0</b>	<b>11</b>	<b>340</b>

Source: Kern C. Gardner Ivory-Boyer Construction Report and Database

### HOUSING GAP ANALYSIS

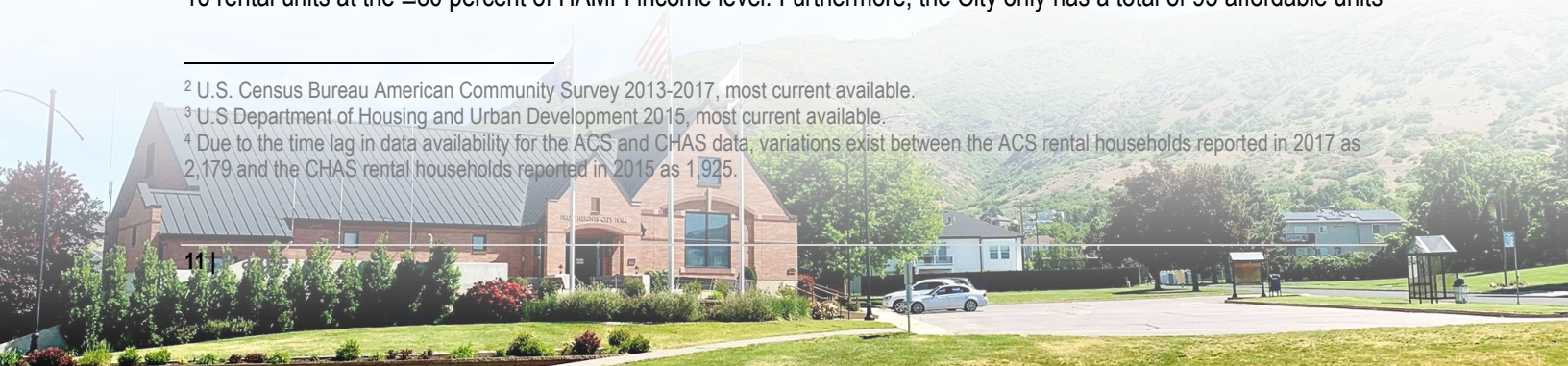
The Utah Housing and Community Development Division within the Utah Department of Workforce Services (“DWS”) utilizes American Community Survey<sup>2</sup> data and the U.S. Housing and Urban Development Comprehensive Housing Affordability Strategy<sup>3</sup> (“CHAS”) to identify the current number of rental households, as well as project the number of units needed over the next five years, by percentage of household area median family income (“HAMFI”). The total number of renter households according to CHAS is 115.<sup>4</sup>

At ≤80 percent HAMFI, there are 99 renter households with 83 units currently available. This suggests a shortage of 16 rental units at the ≤80 percent of HAMFI income level. Furthermore, the City only has a total of 95 affordable units

<sup>2</sup> U.S. Census Bureau American Community Survey 2013-2017, most current available.

<sup>3</sup> U.S. Department of Housing and Urban Development 2015, most current available.

<sup>4</sup> Due to the time lag in data availability for the ACS and CHAS data, variations exist between the ACS rental households reported in 2017 as 2,179 and the CHAS rental households reported in 2015 as 1,925.



suggesting a shortage of affordable units for this income bracket. This mismatch in available and affordable housing suggests 12 households are living in affordable housing despite their median income being above the ≤80 percent HAMFI threshold. The mismatch is also seen in the ≤50 percent HAMFI category as a 75 unit deficit exists with renters occupying 21 units despite their median income being above the HAMFI threshold. At ≤30 percent HAMFI, there is a deficit of 4 rental units with a housing mismatch of 0.

TABLE 3.9: FRUIT HEIGHTS HOUSING GAP

2018 SHORTAGE	RENTER HOUSEHOLDS	AFFORDABLE RENTAL UNITS	AVAILABLE RENTAL UNITS	AFFORDABLE UNITS - RENTER HOUSEHOLDS	AVAILABLE UNITS - RENTER HOUSEHOLDS	HOUSING MISMATCH
≤ 80% HAMFI	99	95	83	(4)	(16)	12
≤ 50% HAMFI	79	25	4	(54)	(75)	21
≤ 30% HAMFI	4	0	0	(4)	(4)	0

The current ACS and CHAS data indicate the number of rental units lags behind the number of rental households. The Kem C. Gardner Institute identified this lag citing the period from 2010-2015 where the number of households were increasing at a faster pace than housing units.<sup>5</sup> Historically, the housing units outpaced households. The current inverse relationship is evidence of the housing shortage in the State of Utah. The Fruit Heights gap analysis further identifies a need to provide affordable housing with an emphasis on households at 50 percent and 80 percent of HAMFI.

### ACCESSORY DWELLING UNITS

The City has not had any accessory dwelling units located within the municipality issued a business license or construction permit.

### AVAILABLE HOUSING PROGRAMS

There are a variety of housing programs available to help maintain and support affordability, which will be increasingly critical as increasing housing costs erode the City’s affordability. Municipalities are encouraged to utilize the programs offered by the Utah Housing Corporation and the Department of Community and Economic Development to assist in establishing and maintaining the requirements set forth for affordable housing by Section 10-9a-4.

*Community Development Block Grant (CDBG) Program* – This is a well-established federal entitlement grant program for urban communities seeking to revitalize neighborhoods, improve community facilities, prevent and eliminate slums, aid low to moderate-income families, and promote economic development. Between 2015 and 2019, \$4.9M was spent on CDBG projects within the Wasatch Front Regional Council region.

*HOME INVESTMENT PARTNERSHIP ACTS* – The HOME act was established to develop and support affordable rental housing and home ownership mainly through the rehabilitation of existing units rather than new construction. The program targets low and very low-income households. The grant program is flexible in allowing participating jurisdictions to decide the most appropriate use of money in their communities. The program requires that at least 90 percent of the rental assistance be targeted toward households with incomes no higher than 60 percent of the area median. Participating jurisdictions are required to match 25 percent the federal funds used.

*Section 8 Housing Choice Voucher Program* - The Section 8 program provides rental payments and assistance to very low income and elderly persons. Rental assistance payments are made directly to private owners who lease their units to assisted families. The tenant is only required to pay 30 percent of his or her monthly-adjusted gross income for rent and the federal government pays the balance of the contract rent to the owner of the rental unit. The contract rent is based on Fair Market Rent established by HUD for the area. The certificates and vouchers are issued by local housing authorities and have a five-year term, which is renewable. Program participants may rent units whose rents exceed the FMR, but the recipient must pay the balance.

<sup>5</sup> Wood, James (2016, November). Does Utah Have a Housing Shortage? Retrieved from <https://gardner.utah.edu/utah-housing-shortage/>



The following table lists the Fair Market Rents applicable in Fruit Heights for the Ogden-Clearfield metropolitan statistical area. These represent the maximum rents for apartments rented under the Section 8 Voucher program; HUD will reimburse the landlord for up to 70 percent of these amounts.

TABLE 3.10: HUD FAIR MARKET RENTS FOR OGDEN-CLEARFIELD UTAH

	EFFICIENCY	1 BED	2 BED	3 BED	4 BED
2022	\$811	\$891	\$1,105	\$1,535	\$1,864
2021	\$721	\$812	\$1,021	\$1,432	\$1,707

Source: U.S. Department of Housing and Urban Development, 2022 HOME Rent Limits, Utah

*Homeownership Assistance Program* - The Homeownership Assistance Program is designed to increase home ownership throughout the County. The program is offered to qualified moderate income households on a first come, first served basis and as funding is available. First time homebuyers purchasing their primary residence can receive a \$5,000 zero interest, deferred payment loan. These loans can only be used at the time of closing for down payment, closing costs, or principal reduction toward the first mortgage loan balance.

*Supportive Housing Program* - The Supportive Housing Program provides voucher-based rental assistance linked with case management services. This program is offered to high barrier, homeless, disabled, unaccompanied households who do not hold the lease in their own name. WHA holds the master lease on the unit. The program pulls households from a community homeless waiting list that prioritizes individuals based on vulnerability. The goal of the program is to assist homeless individuals strive for self-sufficiency.

*Shelter Plus Care* - The Shelter Plus Care Program provides voucher based rental assistance linked with case management services. This program is offered to homeless, disabled, unaccompanied individuals who hold the lease in their own name. The program pulls individuals from a community homeless waiting list that prioritizes individuals based on vulnerability. The goal of the program is to assist homeless individuals strive for self-sufficiency.

*Low Income Housing Tax Credits ("LIHTC")* - The federal government has developed a program to encourage the construction, rehabilitation and preservation of rental housing for very low, low and moderate-income households. The LIHTC program is administered by the Utah Housing Corporation ("UHC"), which determines the amount of tax credit available to applicant projects and operations and on the percentage of the project, which will be restricted to low income tenants. The UHC establishes maximum rents in accordance with HUD standards and future rental increases will be based on increases in the cost of living as reflected in HUD income guidelines. A minimum of 20 percent of the project's units must be set aside for tenants with income less than 50 percent of the median income for the area or a minimum of 40 percent of the units must be reserved for tenants with incomes less than 60 percent of the area median income. Projects receiving LIHTC must maintain the status as a low-income project for a minimum of 15 years.

The LIHTC program provides a credit equal to nine percent of the construction cost for new construction or substantial rehabilitation for projects which do not use other federal assistance and a four percent credit for acquisition of existing projects and for those projects which use other federal subsidies (CDBG excluded). Credits are claimed annually for ten years. The credits may be used by the owner of the property or sold through syndication.

*Section 202 Loans for Housing the Elderly* - The HUD Section 202 program offers capital advances to finance the construction and the rehabilitation of structures to serve as supportive housing for very low-income elderly persons. It also provides rent subsidies to help make the projects affordable. If the project serves very low-income elderly persons for 40 or more years, the capital advance does not need to be repaid.

*Olene Walker Trust Fund* - The fund is comprised of State appropriations and federal funds to provide loans at below-market interest rates for the construction of affordable housing. The majority of projects built using this fund are multi-family. While the majority of the fund is used for loans, a small amount (five percent) of the fund is available for grants.



*McKinney-Vento Fund* – This fund is administered by HUD and provides assistance for transitional housing. This includes advances or grants for acquisition, rehabilitation of existing structures, annual payments to help cover operating expenses, and technical assistance in establishing and operating transitional housing. Rental assistance for homeless people with disabilities is also offered.

*FirstHome* – FIRSTHOME is a mortgage program offered by the Utah Housing Corporation. It is geared towards families of modest income with a credit score of 660 or higher who are first time homebuyers. This program offers competitive interest rates that keep the monthly house payments affordable, allowing families with smaller incomes to purchase a home.

*UHC's Subordinate Loan* - is an offer from the Utah Housing Corporation that can be combined with any of their loan programs to help families with funds needed to purchase a home. This program is for borrowers who have not been able to save enough money for their down payment and closing costs. This loan provides an additional option to limited income working families who have insufficient funds to purchase a home.

*HomeAgain* - is a Utah Housing Corporation mortgage program which targets families of modest income with a credit score of 660 or higher who have previously owned a home. This program, when combined with their Subordinate Loan, gives a family the opportunity to purchase another home with little or no cash investment.

*Score* - is a Utah Housing Corporation mortgage program designed to assist families of modest income with a credit score of 620 or higher. This program offers families who have recovered from previous credit challenges, a loan that can assist them with the purchase of their home. This program, when combined with their Subordinate Loan, gives a family the opportunity to purchase another home with little or no cash investment.

*NoMI* - is a Utah Housing Corporation mortgage program for families of modest income with a credit score of 700 or higher. Of all their homeownership programs, this mortgage typically has the lowest mortgage payment because it offers a loan without mortgage insurance. This program, when combined with a Subordinate Loan, gives a family the opportunity to purchase another home with little or no cash investment.

*Streamline Refinance Loan Program* - is a Utah Housing Corporation program geared toward families wanting to reduce their current mortgage payment with a refinance but do not have the funds to pay off their current UHC Subordinate Loan. For qualified borrowers, UHC will subordinate their existing Subordinate Loan to a new UHC Streamline Refinance.

*CROWN* - is a lease-to-own program developed by the Utah Housing Corporation (UHC) to bring home ownership within reach of very low-income households that are willing to make a long-term commitment to the community. CROWN creates permanent home ownership opportunities by utilizing Low Income Housing Tax Credits to construct new, single-family detached homes that are both durable and affordable. Lease payments last until the fifteen-year tax credit period expires. At this point, residents have the option of purchasing the home at a very attractive price through a low-interest UHC mortgage loan. The qualified low-income residents who become homeowners through the CROWN program are also eligible to receive training in the areas of housekeeping, home maintenance, and basic budgeting.



## SECTION IV: REGULATORY ENVIRONMENT

### CITY ZONING

Fruit Heights residents appreciate the lifestyle offered by their community and have the desire to share the community with their children and others while preserving the existing sense of place. The focus of many residential zones is on single family residential units in very low- and low-density areas. All R-1 (residential) and R-3 (multi-family residential) zoning districts provide, or have plans to provide in the future, basic utilities. The R-3 zoning districts allow for higher density than the R-1 districts.

#### **Existing zoning allows residential development as a primary use in several zones. These zones include:**

- Agriculture (A)
- Residential-Suburban (R-S-12)
- Residential (R-1-12)
- Residential (R-1-10)
- Residential (R-1-08)
- Multi-Family Residential (R-3)
- Commercial (C-2)

#### **The following existing zones do not allow residential development as the primary use:**

- Neighborhood Commercial (C-1)

**Table 4.1** provides the minimum residential lot sizes for each residential zone per the Fruit Heights City Municipal Code, FHCMC 10-8A-1 – 10-8E-9. The majority of the residentially zoned acreage is zoned R-1-12 which has a minimum lot size of 12,000 SF or 0.28 acres. Based on current vacant land for sale values in Fruit Heights, the average price per square foot for land is \$15.40. Based on vacant land comparables, the land value alone for a 12,000 SF lot is \$187,804. The multi-family zoning district allows for more units per acre. In R-3, after the first unit requirement is met, there can be up to 25 units per acre in Area A or up to 10 units per acre in Area B, or a minimum lot size of 8,000 SF with a land only value of \$120,731.

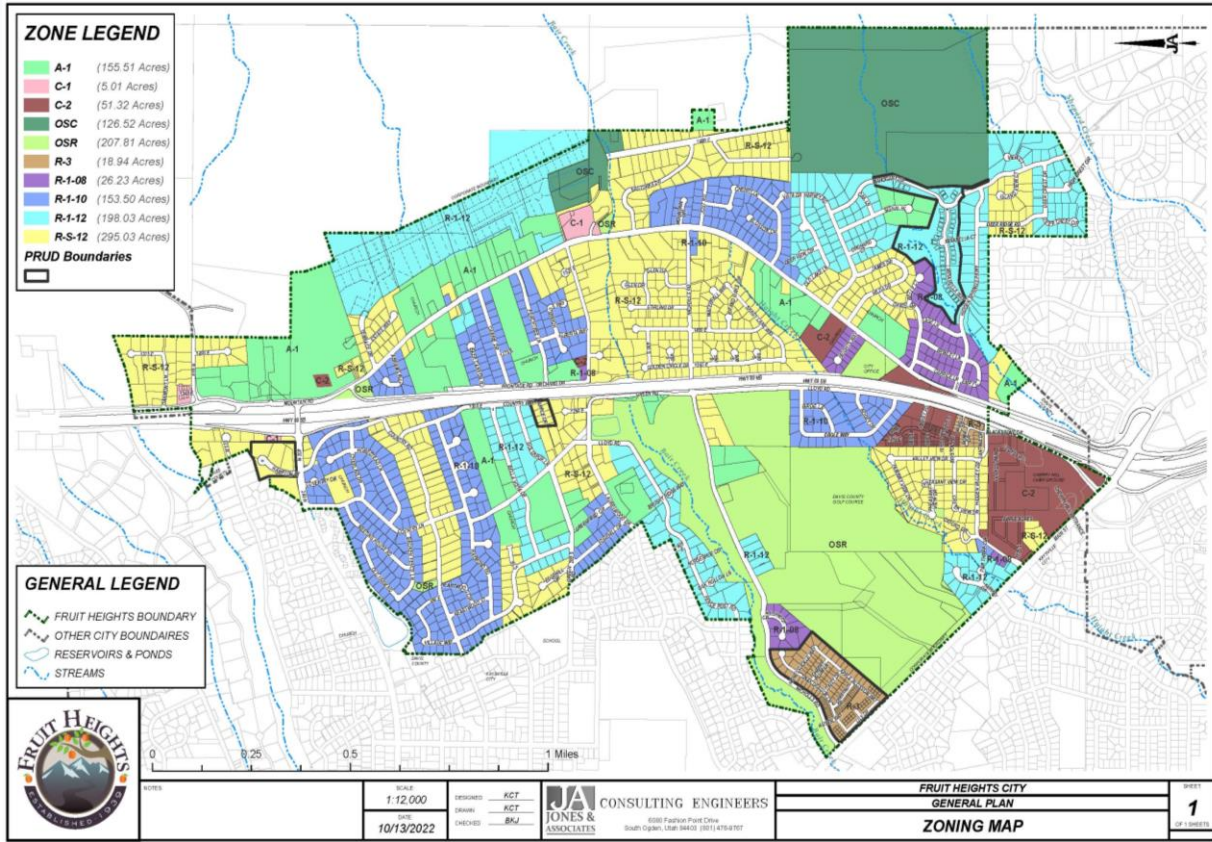
TABLE 4.1: MINIMUM LOT SIZE REQUIREMENTS BY ZONE

MINIMUM LOT SIZE	A	R-S-12	R-1-12	R-1-10	R-3
Minimum lot area (SF) 1st dwelling unit	1 acre	12,000	12,000	10,000	8,000
Minimum lot area (SF) for each add. unit	1 acre	12,000	12,000	10,000	8,000
Minimum lot width (FT) at setback	100/100	90/100	90/90	80/100	70/90
Minimum frontage	30'	30'	30'	25'	20'

**Figure 4.1** represents the City's current zoning districts.



FIGURE 4.1: FRUIT HEIGHTS ZONING MAP



### **ANALYSIS OF CURRENT ZONING REGULATIONS**

New ordinances and development guidelines have been implemented by the City and continue to be modified in anticipation of future redevelopment needs. Particularly, the city recently adopted on August 2, 2022, an “Accessory Dwelling Units (ADUs)” section in their municipal code to provide reasonable regulations for the construction and use of ADUs (Title 10, Chapter 11, Section 21).

<https://www.fruitheightscity.com/201/Municipal-Code>

### **BARRIERS RELATED TO AFFORDABLE HOUSING**

Fruit Heights has proactively sought to address affordable housing within the community. During this process, community and city concerns surfaced regarding redevelopment’s potential effect on the city’s small size. Residents and council members express concern that redevelopment could replace existing residential, which would be replaced by higher cost, new housing products. While this isn’t necessarily a direct barrier, the City will continue to evaluate housing options relative to community preference and affordability according to the strategies of this document.



## SECTION V: HOUSING STRATEGIES AND RECOMMENDATIONS

To qualify for State transportation funding, the State requires municipalities to select three housing affordability strategies to implement in their community. In addition, the legislature is giving priority funding designation to those communities that adopt two additional strategies. Fruit Heights City has selected the following strategies for implementing moderate-income housing in the community.

- Rezone for densities necessary to facilitate the production of moderate-income housing (Strategy A).
- Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones (Strategy E).
- Zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers (Strategy F).
- Implement zoning incentives for moderate income units in new developments (Strategy J).
- Reduce, waive, or eliminate impact fees related to moderate income housing (Strategy L).

### STRATEGY 1: REZONE FOR DENSITIES

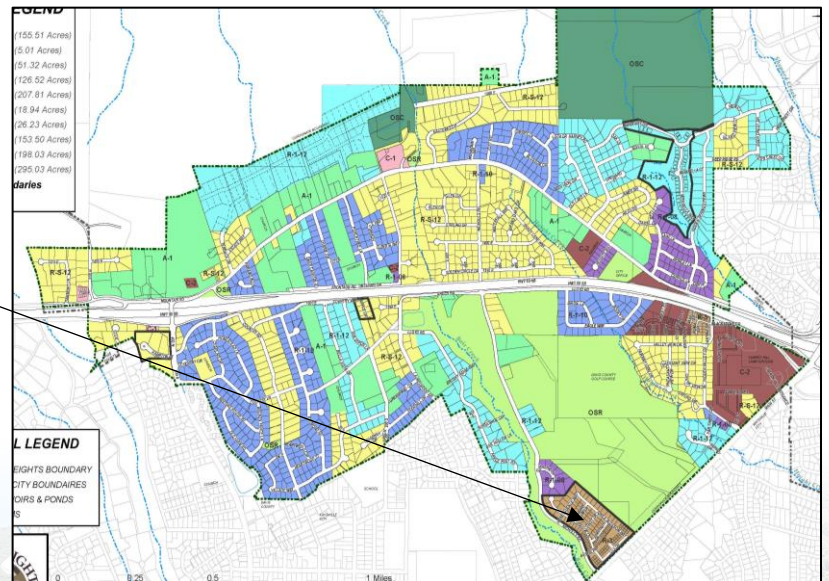
Fruit Heights has rezoned for densities necessary to facilitate the production of moderate-income housing (Strategy A)

Fruit Heights City has created an R-3 zone which allows for Multiple Family Residential Zones. The R-3 zone allows up to 10 units per acre. Medium density residential - single family small lots and attached units or townhomes/condominiums limited to duplexes, tri-plexes, four-plexes, five-plexes, or six-plexes are permitted in the R3 zone subject to certain provisions. Multiple family residential is also allowed in the R3, this zoning designation will provide ample density for affordable housing units to be built. Planned Unit Development (PUD) also allow, if approved, greater densities (or multiple family units) greater than the underlying zone.

#### IMPLEMENTATION:

- Work with the Planning Commission and City Council on approving and adopting the Planned Unit Development (PUD) to the city code to allow for greater densities (Spring – Summer 2024).
- Collect information regarding current home prices to measure the impact of the R-3 zone on the affordability of recently developed residential units and in surrounding areas (Summer 2024).

ZONE LEGEND		
<span style="color: green;">■</span>	<b>A-1</b>	(155.51 Acres)
<span style="color: pink;">■</span>	<b>C-1</b>	(5.01 Acres)
<span style="color: brown;">■</span>	<b>C-2</b>	(51.32 Acres)
<span style="color: green;">■</span>	<b>OSC</b>	(126.52 Acres)
<span style="color: lightgreen;">■</span>	<b>OSR</b>	(207.81 Acres)
<span style="color: orange;">■</span>	<b>R-3</b>	(18.94 Acres)
<span style="color: purple;">■</span>	<b>R-1-08</b>	(26.23 Acres)
<span style="color: blue;">■</span>	<b>R-1-10</b>	(153.50 Acres)
<span style="color: cyan;">■</span>	<b>R-1-12</b>	(198.03 Acres)
<span style="color: yellow;">■</span>	<b>R-S-12</b>	(295.03 Acres)
<span style="border: 1px solid black; display: inline-block; width: 10px; height: 10px;"></span>	<b>PRUD Boundaries</b>	



**STRATEGY 2: CREATE OR ALLOW FOR, AND REDUCE REGULATIONS RELATED TO INTERNAL OR DETACHED DWELLING UNITS**

Fruit Heights has created or allowed for, and reduced regulations related to, internal accessory dwelling units in residential zones (Strategy E).

In 2022, Fruit Heights amended City code to allow for the interior ADUs as permitted use in any zone that is primary for single-family residential users. The City created an “Accessory Dwelling Unit” section in their municipal code (Adopted 8/2/2022) to assist in providing reasonable regulations for supplementary living accommodations in internal ADUs located in residential areas of the city. Fruit Heights City allows internal accessory dwelling units as a permitted use on any lot which exceeds 8,000 square feet. This covers between 80 and 90 percent of all zoning in the City.

See Title 10: Accessory Dwelling Units <https://www.fruitheightscity.com/201/Municipal-Code>

**IMPLEMENTATION:**

- Monitor the number of applications received and approved for accessory apartment dwellings biannually (June and December each year) to assess the effectiveness of the City’s new code.

**STRATEGY 3: ZONE OR REZONE FOR HIGHER DENSITY OR MODERATE-INCOME RESIDENTIAL DEVELOPMENT**

Fruit Heights has plans to zone or rezone for higher density or moderate-income residential development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers (Strategy F).

Fruit Heights City’s General Plan, Zoning Map, and Transportation Plan encourage development around transit corridors and commercial centers accessed by Main Street, US-89, and I-15.

**IMPLEMENTATION:**

- Develop a proposal for the City Council to update the City’s General Plan and Transportation Plan to attract more moderate income housing units developed near Main Street, US-89, and I-15 (Winter 2023).

**STRATEGY 4: IMPLEMENT ZONING INCENTIVES FOR MODERATE INCOME UNITS IN NEW DEVELOPMENTS**

Fruit Heights has implemented zoning incentives for moderate income units in new developments (Strategy J).

Fruit Heights City has adopted an R-3 zone which will allow for higher density, multi-family units and smaller single family units on reduced lot sizes. The city is also considering an evaluation of other zoning incentives such as density incentives to facilitate the creation of moderate-income housing.

**IMPLEMENTATION:**

- Work with developers to modify public infrastructure and lot size requirements (Winter 2023).
- Hold a work-session with Planning Commission and City Council to identify density incentives for new development in the City (Spring – Winter 2024).
- Create a toolkit and resource guide for developers that includes guidance based on work-session feedback (Spring 2025).

**STRATEGY 5: REDUCE, WAIVE, OR ELIMINATE IMPACT FEES RELATED TO MODERATE INCOME HOUSING**

Fruit Heights has plans to reduce, waive, or eliminate impact fees related to moderate income housing zones (Strategy L).

Fruit Heights City charges an impact fee for parks, water, stormwater, and roads. Fruit Heights City will review its impact fees associated with development and identify ways in which these fees can be reduced and/or waived to help encourage more moderate income housing within the city.



#### IMPLEMENTATION:

- Review impact fees with development community to identify criteria in which fees can be reduced/waived to promote more incentives for moderate income housing (Spring 2023).
- Establish additional goals and objectives based on impact fee review that can be integrated into the City's 2023 Moderate Income Housing Report (Fall 2023).

#### ADDITIONAL STATE SUPPORT

The City could benefit from additional training related to MIHR requirements and data collection. In addition, training related to the 24 identified strategies and how to implement these strategies could be beneficial.

#### ADDITIONAL RECOMMENDATIONS

Numerous programs are available to encourage the development and preservation of affordable housing at all income levels. Homeownership programs are well established, and support should continue and expand. The Home Program and HOME Investment Partnership Act are important resources for moderate and low-income homeowners, and CDBG funds can also be used to assist homeowners. In addition, the Utah Housing Corporation provides homeownership assistance through below market loans (FirstHome), down payment and closing cost assistance, and lease to-own housing supported by Low Income Housing Tax Credits (CROWN). Further, HUD has special loans for the construction of rental and cooperative housing for the elderly and handicapped. In addition, funds are available under the Olene Walker Loan Fund and the McKinney Fund (with emphasis on transitional housing).

#### FINANCIAL RESOURCES FOR AFFORDABLE HOUSING DEVELOPMENT

Potential funding sources for housing include revenue from the general fund, CDBG grants and RDA affordable housing pass through. The general fund is essentially drawing upon the existing resources of the community and reallocating some of these resources to promote affordable housing. This could include earmarked sales tax or other revenue to provide development subsidies for deed-restricted affordable housing. The CDBG funds may require some reallocation of funds from infrastructure needs to housing, although both are valid projects.

#### PRESERVATION OF HOUSING STOCK

The preservation and rehabilitation of the current housing stock (rental and owner-occupied) will also be an important way to help keep housing affordable. The City should set a goal to rehabilitate a number of housing units before the year 2025. There are various programs available to the City to assist with home rehabilitation efforts. The HOME consortium and the Home Programs will be important to help people under 80 percent of HAMFI preserve the quality of their home investments. Additionally, CDBG funds can be obtained to manage and invest into low- and moderate-income areas. While infrastructure is important for community building, some portion of the CDBG budget should be targeted toward housing programs.

#### COMMUNITY REINVESTMENT AREAS

Additional Redevelopment Agency (RDA) funds could become available to the community with the establishment of Community Reinvestment Areas and the redevelopment of selected sites. Under Community Reinvestment Areas (CRAs), the redevelopment agency is required to allocate 10 to 20 percent of total tax increment revenues it receives (from CRAs) to affordable housing. In the event the City creates a new CRA, tax increment would be set aside for affordable housing.



## APPENDIX A: MIHR RESOURCES

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<https://www.ulct.org/advocacy/senate-bill-34-housing-general-plan-resources>

<https://jobs.utah.gov/housing/affordable/moderate/index.html>

<https://jobs.utah.gov/housing/affordable/moderate/reporting/>

<https://jobs.utah.gov/housing/affordable/moderate/moderateoutline.pdf>

<https://jobs.utah.gov/housing/affordable/moderate/moderatewrite.pdf>

