



## **HARRISVILLE CITY**

# **MODERATE INCOME HOUSING PLAN 2018 BI-ANNUAL UPDATE REPORT**

**January 9, 2018**

Approved by the Legislative Body

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## **MODERATE INCOME HOUSING PLAN – 2018 BI-ANNUAL UPDATE REPORT**

### **I. INTRODUCTION**

This Moderate Income Housing Plan 2018 Bi-annual Update Report (Report) is in compliance with *Utah Code Annotated* §10-9a-408. This state statute provides that the City Council, acting in its capacity as the legislative body of Harrisville City, Utah (City), is to make a bi-annual Report on its Moderate Income Housing Plan (MIHP). Harrisville City adopted its Moderate Income Housing Plan on September 8, 2004. This Report is the required bi-annual update of that Plan.

A MIHP is required as an element of the General Plan as set forth in *Utah Code Annotated* §10-9a-403. The purpose of the MIHP is to address the need for the development of additional moderate income housing within the City, and to provide a realistic opportunity to meet estimated needs for additional moderate income housing if long-term projections for land use and development occur. *Utah Code Annotated* §10-9a-103 defines “moderate income housing” as “housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in the county in which the city is located.”

The bi-annual review of the MIHP provides the opportunity to give this Report on the implementation of the MIHP along with the City’s findings made during the review. The primary objective of the City’s MIHP is to promote home-ownership opportunities for moderate income households. It also seeks to allow households of moderate income to benefit from and fully participate in all aspects of neighborhood and community life. To accomplish this, the MIHP makes projections of housing needs and factors that may affect housing for households of moderate income.

### **II. BI-ANNUAL REPORTING REQUIREMENT**

According to *Utah Code Annotated* §10-9a-408, the City Council shall update its Moderate Income Housing Plan biannually as follows:

- A. Review the moderate income housing plan element of its general plan and its implementation; and,
- B. Prepare a report setting forth the findings of the review.

According to the statute, this Report describes:

- A. Efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing.
- B. Actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing.
- C. Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing.

- D. Efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.
- E. The legislative body of each city shall send a copy of the report under to the Department of Community and Culture and the association of governments.

### **III. GEOGRAPHY AND DEMOGRAPHICS**

#### **A. Geography and Demographics.**

Harrisville City is located at 41°17'7"N, 111°59'12"W (41.285169, -111.986584) GR1. According to the United States Census Bureau, the City consists of 3.01 square miles. The U.S. Census Bureau estimates the current population of the City to be 6,376. The racial makeup of the City is approximately 89% White, 8% Hispanic/Latino, with the remaining percent being other races. The U.S. Census Bureau currently estimates 2,007 housing units in the City with an average household size is 3.16 persons. The home ownership rate has declined since the last Report to be approximate 78% with the addition of more apartments.<sup>1</sup>

Harrisville City is located in the Ogden-Clearfield Metropolitan Statistical Area (MSA). Based upon data from the U.S. Department of Housing and Urban Development (HUD), the 2018 median household income level for a household is \$66,972 per year. Moderate income is a household that earns 80% of the median income which calculates to \$53,578 per year.<sup>2</sup>

#### **B. Moderate Income Housing Profile.**

Moderate income housing is defined by *Utah Code Annotated* §10-9a-103(19). This statute provides that moderate income housing is housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the City. Therefore, a moderate income household in Harrisville City earns 80% of \$66,972 which is \$53,578 per year.

In order to adequately update the Plan, this Report determines the eligibility amount a moderate income household is capable of qualifying for a mortgage for a home. Taking that amount and comparing it to the valuation breakdown of the total housing stock in the City will show the number of homes within the ranges of a moderate income household to purchase. Since the last Report, approximately 49 new single-family housing units have been constructed in the City.<sup>3</sup> Also, approximately 80 new multi-family housing units were constructed in this same time.

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<sup>1</sup> U.S. Census Bureau – QuickFacts for Harrisville City, Utah.

<sup>2</sup> 2015 Community Development Block Grant (CDBG) Handbook. State of Utah.

<sup>3</sup> Harrisville City Building Permit Data.

The number of dwelling units as provided by the Weber County Assessor’s Office and updated with new permits is as follows:

# of Units	Price Range	# of Units	Price Range
8	Up to \$75,000	216	\$200,001 to \$225,000
4	\$75,001 to \$100,000	169	\$225,001 to \$250,000
267	\$100,001 to \$125,000	179	\$250,001 to \$275,000
307	\$125,001 to \$150,000	70	\$275,001 to \$300,000
299	\$150,001 to \$175,000	93	\$300,001 to \$350,000
426	\$175,001 to \$200,000	64	\$350,001 and more
Total Single-family Housing Units: 2,102			

To determine the stock of moderate income housing, this Report determines the estimated number of single-family housing units in the City. Next, this Report determines the amount that a moderate income household would likely qualify for a home mortgage. This Report will only use data from a conventional 30-year mortgage with the standard down payment. This Report does not address unconventional financing, interest only loans, ARMs, or similar financing.

According to data provided by America First Credit Union, one of the largest lenders in the area, a moderate household would qualify to purchase a house valued at or below \$213,479.<sup>4</sup> For the purposes of this Report, the percent of moderate income housing available in the City is based upon borrowing for homes valued approximately at or below \$225,000.

There are an estimated 2,102 single-family housing units in the City. Of these 2,102 single-family housing units, an estimated 1,527 housing units are within the price range of a moderate income household. This represents 73% of the total housing stock in Harrisville City being available to a moderate income household.

**IV. BI-ANNUAL REPORT FINDINGS.**

**A. Efforts made by the city to reduce, mitigate, or eliminate local regulatory barriers to moderate income housing.**

Harrisville City has increased 49 newly constructed single-family housing units since the 2016 Report. Of these new 49 single-family housing units, more than 50%, specifically 25 units, are within the range of a moderate income household.<sup>5</sup> Based upon this data, the City implements land use practices that provides for 50% of its new housing to be withing the range of moderate income housing.

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<sup>4</sup> America First Credit Union. How Much Can You Afford?

<sup>5</sup> Harrisville City Building Permit Records.

The efforts of Harrisville City in reducing, mitigating, and eliminating regulatory barriers to moderate income housing are evident by the high percentage of the housing stock within the range of moderate income households. Based upon the current success in providing moderate income housing, no additional efforts are recommended at this time.

The City Council finds that Harrisville City has an interest in providing for moderate income housing for its residents. This policy promotes individuals who want to live near their family and relatives in the community. The City desires to maintain its local culture and lifestyle in conjunction with its housing policies. The City Council also recognizes the need to promote community pride, unity, history, open space, aesthetics, and recreation.

It should also be noted that there are many more elements that involve the housing market beyond the City. These elements include inflation, interest rates, unemployment, and similar. These elements may negatively affect moderate income housing opportunities notwithstanding all the efforts made by the City to encourage the same. The City is only a small part of a greater whole in the housing market.

**B. Actions taken by the city to encourage preservation of existing moderate income housing and development of new moderate income housing.**

Based upon the City maintaining 73% of its housing stock available to moderate income households, it is determined that the current and ongoing land use policies and practices of the City have not limited moderate income housing opportunities.

**C. Progress made within the city to provide moderate income housing, as measured by permits issued for new units of moderate income housing.**

Since the 2016 MIHP Update, there have been approximately 49 new single-family housing units. Of these 49 new housing units, 25 are within the range of moderate income households. Multi-family units were increased by 36 units since the 2016 MIHP Update.<sup>6</sup>

New moderate income housing construction represent 50% of all new housing construction in the City. Several additional subdivisions are under currently in the planning process or under construction which are also anticipated to be within the range of a moderate income household.

In 2017, the City adopted Ordinance #491 that provides for a mixed-used commercial and residential concept in certain areas along Washington Boulevard. This Ordinance is designed to provide a horizontal mix in accordance with a Strategic Economic Plan adopted by the City. It is expected that the development from this new zone will allow for greater home ownership opportunities and possibilities for moderate income housing.

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<sup>6</sup> Harrisville City Building Permit Records.

**D. Efforts made by the city to coordinate moderate income housing plans and actions with neighboring municipalities.**

Harrisville City provided a copy of this Report to neighboring cities. The City consulted with other cities in Weber County in preparation of this Report. The City is willing to discuss this Report and assist other cities with moderate income housing issues as may be requested.

At the time the initial Moderate Income Housing Plan was prepared information was obtained regarding moderate income housing from other cities including: Marriott-Slaterville, North Ogden, South Ogden, and Ogden City.

**E. The legislative body of each city shall send a copy of the report to the Department of Community and Culture and the association of governments in which the city is located.**

State law requires that this report be submitted to the Department of Community and Culture and the association of governments where the City is located. The association of governments where the City is located is the Wasatch Front Regional Council. The legislative body has directed staff to mail a copy of this Report to the following:

Utah Department of Workforce Services  
Housing and Community Development Division  
140 East 300 South  
Salt Lake City, Utah 84111

Wasatch Front Regional Council  
Attn: Sam Klemm  
295 North Jimmy Doolittle Road  
Salt Lake City, UT 84116

**V. CONCLUSION**

The current median household income in the City is \$66,972, per year, making the current moderate household income \$53,578 (80% of median income). Harrisville City has approximately 2,102 housing units of which 1,527 are within the range of a moderate income household. This Report concludes that 73% the City's housing stock qualifies as moderate income housing. This demonstrates that the City's current efforts to preserve the moderate income housing stock are effective. Regarding new single-family housing since 2016, 25 of the 49 new housing units qualify as moderate income households. Also, 80 new multi-family units were added.

The City Council acts as the legislative body for Harrisville City. The City Council policies have been effective in reducing, mitigating, or eliminating barriers to moderate income households. The City coordinates its moderate income housing planning with other nearby municipalities in the county, and forwards its reports to the appropriate agencies.

The City should continue to evaluate trends and development as it continues to make its bi-annual reports relating to moderate income housing.

### **Attached Supporting Documents**

1. Housing Count from Weber County Assessor.
2. Harrisville Building Permits 2016-17.
2. U.S. Census Bureau – Fact Finder.
3. America First Mortgage Calculator.