



1: MODERATE INCOME HOUSING ELEMENT

The Utah Municipal Code, 10-9a-403(2)(a)(iii) requires that all cities adopt a Plan for “Moderate Income Housing” as part of their General Plan. Section 10-9a-403(2)(b) of the Utah Municipal Code, outlines three issues that must be addressed in the Moderate Income Housing Plan. The three issues that must be addressed are: 1) municipalities shall facilitate a reasonable opportunity for a variety of housing, including moderate income housing; 2) an analysis of how the municipality will provide a realistic opportunity for the development of moderate income housing within the next five years; and 3) shall include a recommendation to implement three or more strategies found in 10-9a-403(2)(b)(iii) of the Utah Municipal Code.

I. Current Moderate-Income Population

Moderate income housing is defined by the Utah State Code 10-9a-103(38) 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 U. S. Census Bureau lists the median household income in Utah County in 2024 as \$109,500. Information from the U.S Department of Housing and Urban Development (HUD) indicates that based on the size of the household, an income level of \$61,050 - \$115,150 could still be considered a low-income household. For example, a household with 4 people making less than \$87,200 is considered having a low income.

Table 1: Low Income Levels Based on Household Size.

Income Levels	Household Size							
	1	2	3	4	5	6	7	8
Low (80%) Income Limits	\$61,050	\$69,750	\$78,500	\$87,200	\$94,200	\$101,200	\$108,150	\$115,150
Very Low (50%) Income Limits	\$38,150	\$43,600	\$49,050	\$54,500	\$58,900	\$63,250	\$67,550	\$71,980
Extremely Low (30%) Income Limits	\$22,900	\$26,200	\$29,450	\$32,700	\$36,580	\$41,960	\$47,340	\$52,720

Source: Information obtained from US Housing and Urban Development Income Limits Documentation System 2024(www.huduser.org)

Santaquin’s population per the United States Census in 2020 was 13,725 and the population estimate for 2030 is 21,218. That is an increase of 7,493 residents in ten years. Each year, HUD receives custom tabulations of the American Community Survey 5-Year Estimate (ACS) from the Census Bureau. This data is known as the Comprehensive Housing Affordability Strategy (CHAS). This data demonstrates the extent of housing problems and needs, particularly for low income households. Table 2 categorizes household income levels



1: MODERATE INCOME HOUSING ELEMENT

by Area Median Income (AMI) using the statistics for CHAS. This table illustrates the number of Santaquin households whose total income falls within each income bracket.

Table 2: Households by Income Level 2021

AMI Income Level	Households	% of Households
100% AMI	1,720	48%
80% AMI	1,545	43%
50% AMI	220	6%
30% AMI	125	3%

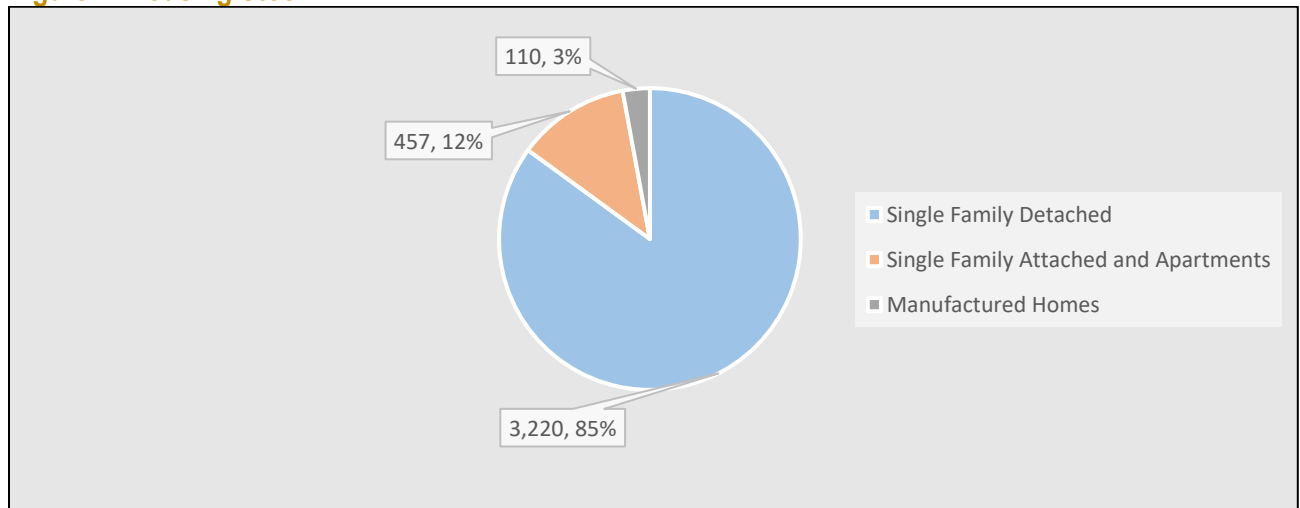
Source: Information obtained from US Housing and Urban Development Comprehensive Housing Affordability Strategy 2021 (www.huduser.org)

A low income is considered to be 80% of the AMI. In 2021, there are 1,890 households in Santaquin with a household income categorized as low income to extremely low income. The households that earn just 30% of the AMI find it very difficult to live within the affordable housing guidelines since they cannot afford average market rental rates. It is vital to the well-being of the community that households of all income levels have affordable housing options.

II. Current Housing Stock

In 2022, Santaquin had 3,220 detached single-family residences, 457 attached single family or apartment units, and 110 manufactured homes. These numbers combine for a total of 3,787 dwelling units. The majority of dwelling units in Santaquin were owner-occupied. There were 3,306 owner occupied units, 481 renter occupied units and 26 vacant units.

Figure 1: Housing Stock

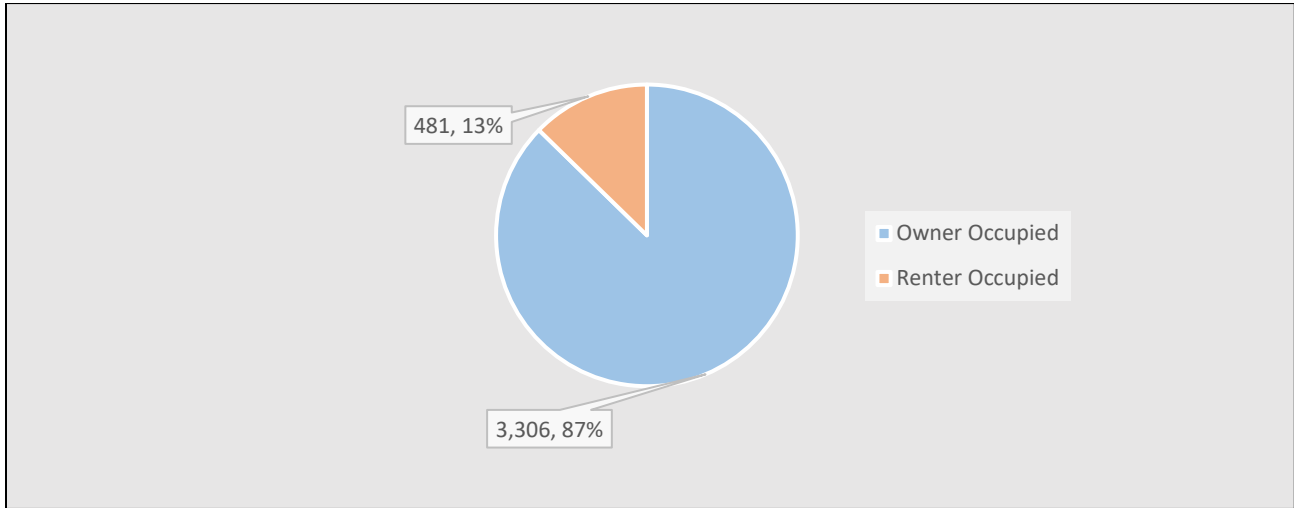


Source: US Census Bureau's American Community Survey, 2022 (www.factfinder.census.gov)

Figure 2: Housing Occupancy



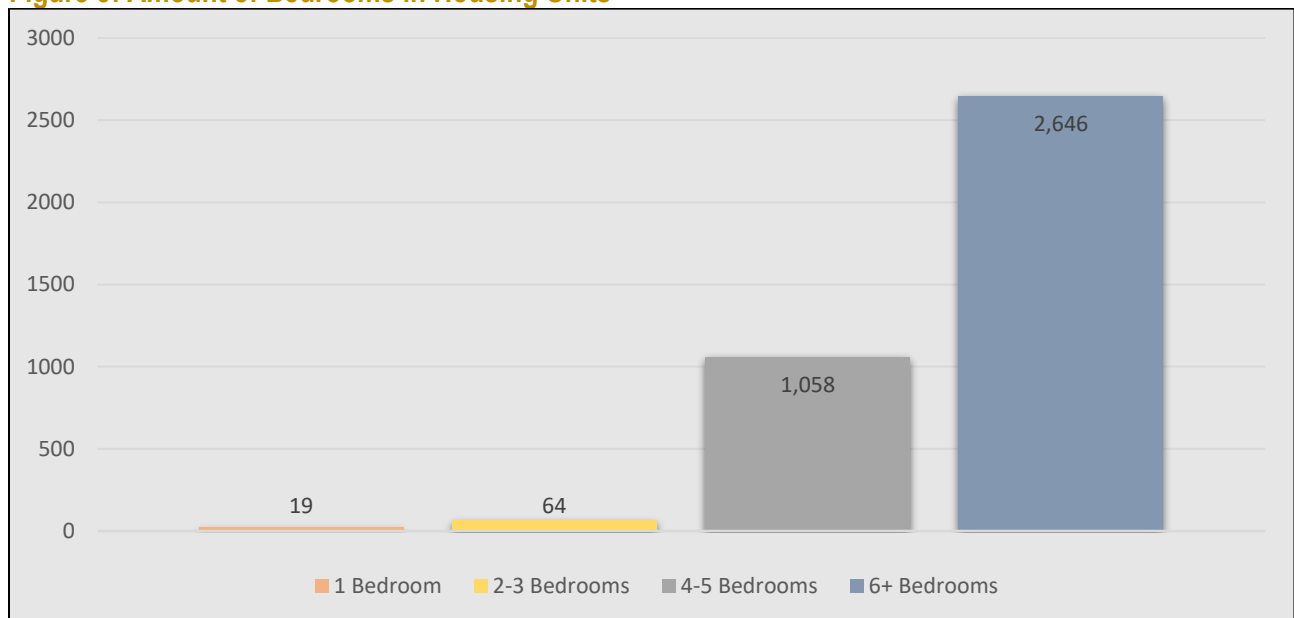
1: MODERATE INCOME HOUSING ELEMENT



Source: US Census Bureau's American Community Survey, 2022 (www.factfinder.census.gov)

There are 19 dwelling units that have one bedroom and 64 dwellings with two-three bedrooms. The majority of housing units have 4+ bedrooms. Approximately 59% of the housing stock in Santaquin was built in 2000 or later and 8% built before 1959.

Figure 3: Amount of Bedrooms in Housing Units

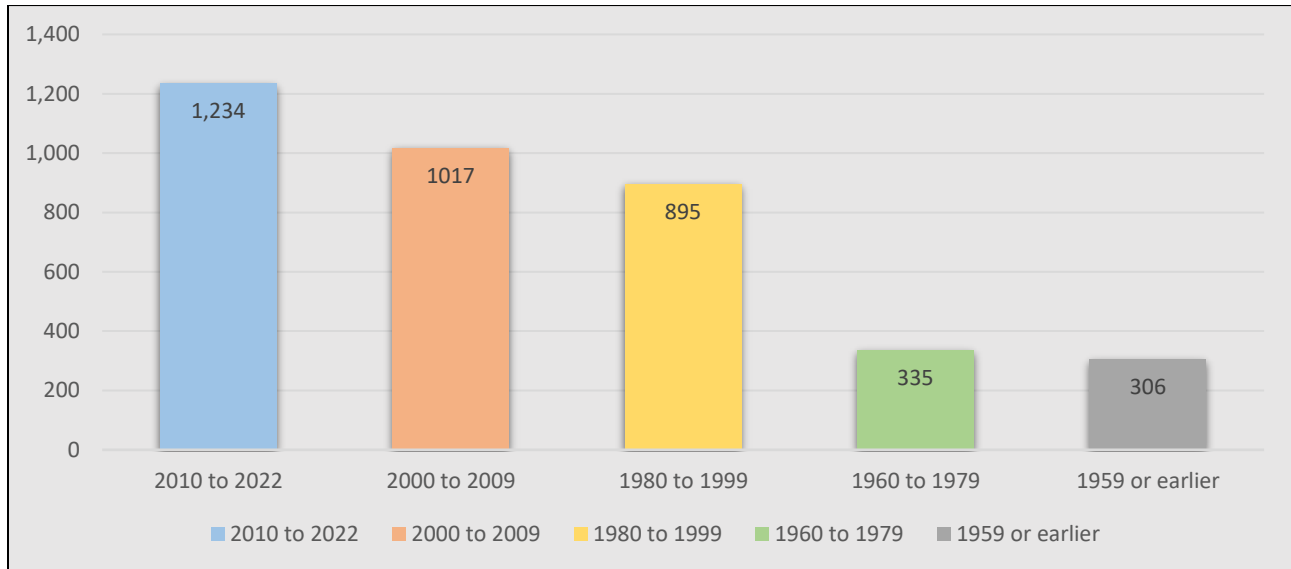


Source: US Census Bureau's American Community Survey, 2022 (www.factfinder.census.gov)

Figure 4: Age of Housing Stock



1: MODERATE INCOME HOUSING ELEMENT



Source: US Census Bureau's American Community Survey, 2022 (www.factfinder.census.gov)

III. Housing and Rent Affordability

Affordability of housing units is determined by AMI and the amount a household at each income level can afford. Housing is considered affordable by State and Federal definition when a household spends no more than 30% of their annual income on housing expenses, including mortgage or rent and utilities. Households that spend more than 30% of their monthly income on housing expenses are considered cost-burdened.

In 2024, the AMI for Utah County was \$109,500 or \$9,125 a month. Based on these numbers, mortgage or rent and utilities should be no higher than \$2,737 per month for the unit to be considered affordable.

The Moderate-Income Housing Plan is created to ensure that housing is affordable for all income levels. The same affordability standards apply to all income levels. For example, a household that makes 80% of the AMI, which is \$87,600 or \$7,300 a month, can spend \$2,190 on mortgage or rent and utilities.

The table below summarizes the maximum monthly affordable housing costs for various income levels in Santaquin. The estimated maximum mortgage loan amount in the table below is based on a 30-year fixed rate loan at 5.5% interest and a 10% down payment and a monthly utility bill of \$350.



1: MODERATE INCOME HOUSING ELEMENT

Table 3: Affordability Summary 2019

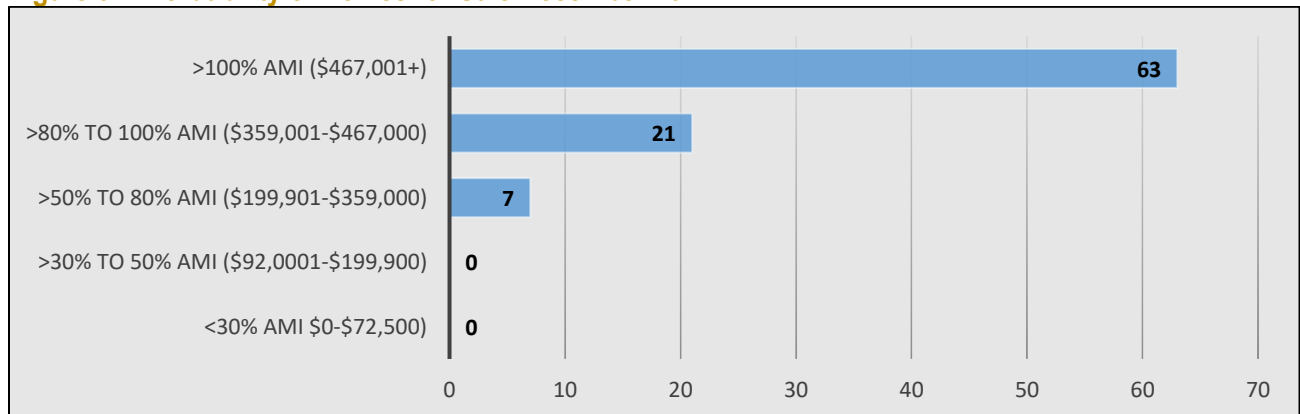
Household Income	Yearly Income	Monthly Income	Monthly Housing Expenses	Max. Mortgage Loan Amount
100% AMI	\$109,500	\$9,125	\$2,737	\$467,000
80% AMI	\$87,600	\$7,300	\$2,190	\$359,000
50 % AMI	\$54,750	\$4,562	\$1,368	\$199,900
30% AMI	\$32,850	\$2,737	\$821	\$92,000

Source: Information obtained from US Housing and Urban Development Income Limits Documentation System 2024 (www.huduser.org)

Research conducted on utahrealestate.com and Zillow.com indicate that there were 91 homes for sale in Santaquin as of December 2024. Of the 91 homes available, 7 units are affordable to moderate income households and there are 0 homes available to low-income households.

There were 26 properties listed for rent on KSL.com and rentler.com. Of the 26 properties available for rent, 20 was available to moderate income households and 4 were available to low-income households.

Figure 5: Affordability of Homes for Sale December 2024

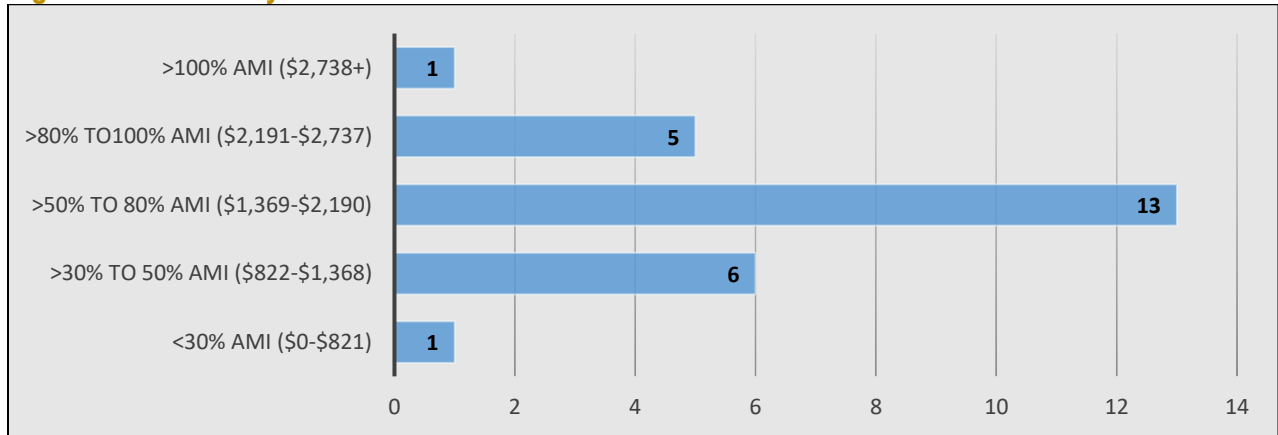


Source: utahrealestate.com, homes.ksl.com, December 2024



1: MODERATE INCOME HOUSING ELEMENT

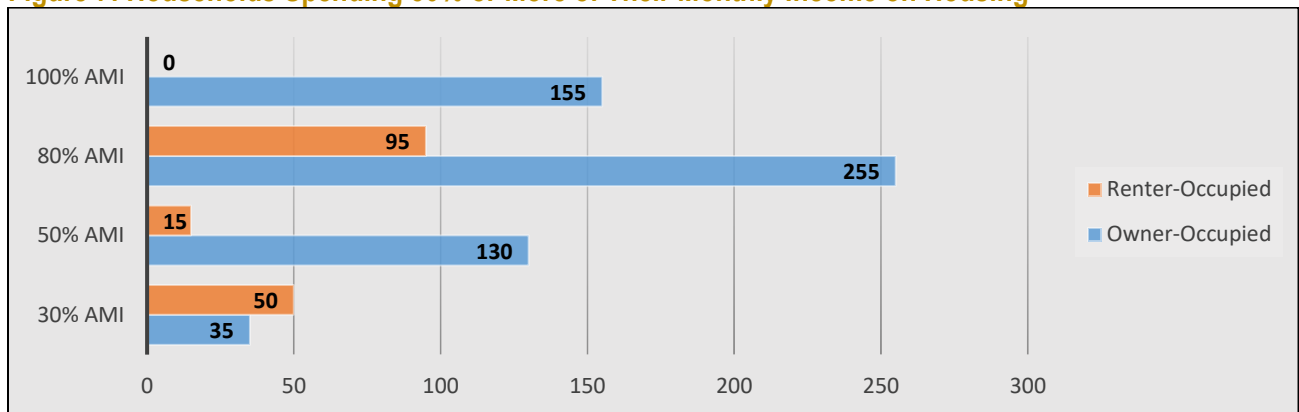
Figure 6: Affordability of Available Rental Units December 2024



Source: Zillow.com, Rentler.com, December 2024

The two figures below show the owner-occupied and renter-occupied households that are spending 30% or 50% of their monthly income on housing.

Figure 7: Households Spending 30% or More of Their Monthly Income on Housing

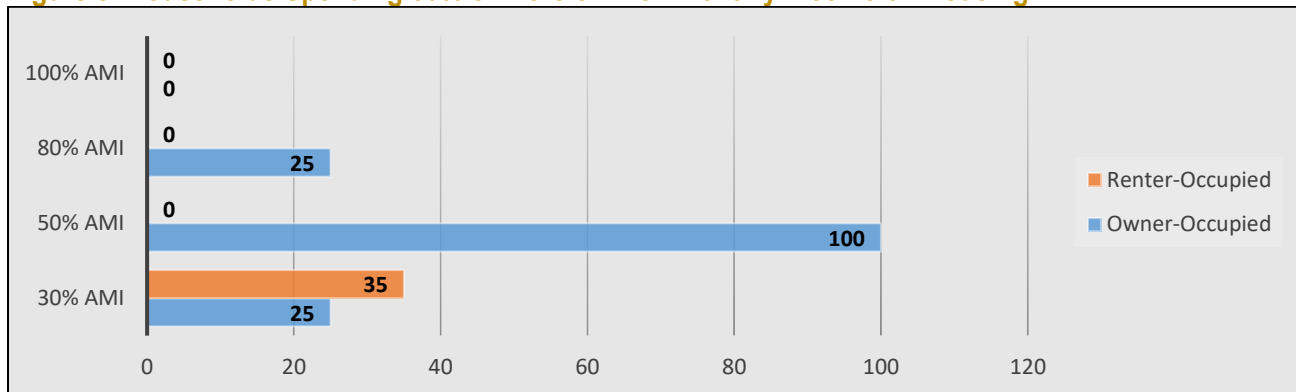


Source: Comprehensive Housing Affordability Strategy 2021 (huduser.gov)



1: MODERATE INCOME HOUSING ELEMENT

Figure 8: Households Spending 50% or More of Their Monthly Income on Housing



Source: Comprehensive Housing Affordability Strategy 2021 (huduser.gov)

IV. Evaluation of How Existing Land Uses and Zones Affect Opportunities for Moderate Income Housing

Santaquin's affordable housing is primarily clustered near the center of town. This is primarily due to the zoning regulations that are in place and the age of the housing stock in this area. Some affordable housing is also found in newer, larger homes, where accessory apartments are located. Santaquin's zoning regulations allow for more affordable housing to get built in areas which are more readily serviced by public transit, services, and amenities.

Zoning around Main Street allows for multi-unit housing and even encourages more housing opportunities near the Central Business District. These areas are serviced by public transit and are within walking distance to businesses.

Most of the older homes in the core area include 2-3 bedroom structures on large lots. Santaquin allows for redevelopment and infill reduction standards within the core area of town to increase the amount of new affordable housing stock in the area. The infill reduction may allow for the square footage of the lot and the lot frontage to be reduced by 20% from what the underlying zone requires. This always for smaller more affordable lots and homes.

Other affordable units in the city are accessory dwelling units. They are sought by single person households and young families with limited incomes and older individuals, who also benefit from these units, since the rental income helps subsidize their retirement incomes. Attached accessory dwelling units are allowed in every residential zone in Santaquin. Detached accessory dwelling units are allowed in the R-8 Residential zone.



1: MODERATE INCOME HOUSING ELEMENT

Santaquin also encourages higher densities within typical single-family zones by doing a Planned Unit Development (PUD). A PUD allows for additional multi-family and “starter home” dwellings. With the approved PUD’s in the City, there will continue to be multi-family and starter home dwellings for the foreseeable future.

V. Santaquin’s Program to Encourage Moderate Income Housing for the Next Five Years

Providing a mix of residential densities, both in housing and parcel size throughout the community can stabilize home values, draw a variety of households to the City, and increase economic potential. Knowing this, Santaquin has zoning regulations near downtown that allows for more infill and high density developments where infrastructure is readily available. This directed growth will likely consist of smaller lots or higher density developments, which helps provide housing opportunities not readily available to those with extremely low income. It will also increase economic development potential and local business support in the downtown area. Areas which have not been developed yet or are currently in agriculture operations are slated for low density development (e.g. ranchettes, farmsteads) for those seeking larger properties and animal rights. Other lands within current developments are also being reserved for housing of attached single family homes or large lot estate homes. All of these efforts will strengthen the housing market around Santaquin while maintaining the affordability of homes.

Providing high density residential areas in strategic locations will be a priority. The objectives of establishing high density residential areas is to provide a residential environment within the city which is characterized by dwellings that may include attached and detached single-family homes, patio homes, townhomes or row-houses, duplex and apartments. These areas are situated to take advantage of existing public infrastructure, e.g. recreation facilities, utilities, services, schools and shopping centers. Proximity to these uses allows more community interaction with reduced dependence on automobiles with neighborhoods that are designed for walkability. Providing more density in these areas allows for development of properties with unique limitations due to size, configuration, location or price. These areas serve to recapture tax base opportunities lost by larger lot single family developments and increase the viability of commercial areas. The design of high density areas should integrate high quality materials and building character with integration to existing neighborhoods rather than create isolated and walled off housing projects. Allowing for more varied housing opportunities in the area can meet the needs of many levels of economic and demographic characteristics within the city, including young single professionals, recently married couples and elderly or retire couples or individuals that prefer less house size and less maintenance responsibilities

The following strategies and their corresponding implementation plans should be considered as the City reviews future residential development proposals



1: MODERATE INCOME HOUSING ELEMENT

STRATEGIES AND IMPLEMENTATION PLANS:

Strategy 1 (E) Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

Implementation Plan – Santaquin City will consider modifying zoning regulations to expand the area where detached accessory dwelling units are permitted. Considerations to permit detached accessory dwelling units in the R-15 Zone will be reviewed by the Planning Commission and City Council.

Benchmarks and Timeline – A legislative process will be initiated to consider permitting detached accessory dwelling units in the R-15 Zone before June 1, 2025. Possible action will be implemented before August 1, 2025.

Strategy 2 (L) Reduce, waive, or eliminate impact fees related to moderate income housing.

Implementation Plan – Santaquin City will work with third-party financial, engineering, and planning firms as each Santaquin City master plan is updated over the next five years to study utility efficiencies from accessory dwelling units which could proportionately reduce impact fees for accessory dwelling units. The City will start asking for this data in their request for proposals (RFP) and consider modifications to impact fees upon completion of each master plan update, accordingly.

Benchmarks and Timeline – Santaquin City will start the process of updating the Storm Drain Master Plan before August 1st, 2025. The City will work with a financial consultant to determine an appropriate amount to reduce the associated impact fees. The City Council will consider an amendment to the Fee Schedule to reduce the applicable impact fees before August 1, 2026.

Strategy 3 (Z) Demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing.



1: MODERATE INCOME HOUSING ELEMENT

Implementation Plan – Santaquin City will consider modifying zoning regulations to reduce the minimum square footage requirements for various residential unit sizes in the Main Street Commercial (MSC) Area in the Main Street Business Districts (MSBD) zone.

Benchmarks and Timeline – A legislative process will be initiated by June 1, 2025. Possible action will be implemented before August 1, 2025.

Strategy 4 (B)

Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate income housing.

Implementation Plan – Santaquin City will start work on expanding the City's Water Reclamation Facility (WRF). This work will allow for the City to maintain relatively lower sewer fees that are charged to all residents, including those who live in or desire to live in moderate income housing.

Benchmarks and Timeline – In 2024, the Santaquin City Council initiated a contract to start the design of the next phase of the expansion of the WRF. Santaquin City will vote on approving the construction cost to upgrade the WRF before August 1, 2025 and construction will start before August 1, 2026.

Strategy 5 (J)

Implement zoning incentives for moderate income units in new developments.

Implementation Plan – Santaquin City will consider modifying zoning regulations to allow an increase in density within a PUD by six percent (6%) if ten percent (10%) of the units are built to the minimum unit size.

Benchmarks and Timeline – A legislative process will be initiated by July 1, 2025. Possible action will be implemented by August 1, 2025.