

PROPOSAL FOR:
PLEASANT GROVE CITY 

**MODERATE-INCOME
HOUSING REPORT**

JANUARY 2023

**LEWIS YOUNG ROBERTSON
& BURNINGHAM, INC.**



SECTION I: INTRODUCTION

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 US Census Bureau's Decennial Redistricting Data ("DEC") report Pleasant Grove City ("City") has experienced an average annual growth rate ("AAGR") in population of 1.19 percent from 2010 through 2020. This growth is lower than Utah County at 2.47 percent and the State of Utah at 1.70 percent. The City has grown by approximately 4,217 persons which represents 2.95 percent of total growth within Utah County. 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 neighboring communities.

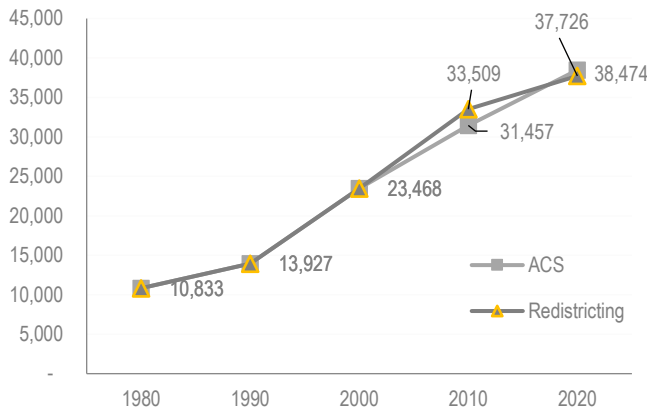
TABLE 2.1: COMPARISON CITY POPULATION & AAGR

	2010	2011	2012	2013	2014	2015	2016	2017
Alpine	9,061	9,333	9,522	9,704	9,856	9,986	10,129	10,197
American Fork	25,370	25,930	26,347	26,935	27,366	27,799	28,127	28,507
Eagle Mountain	17,892	19,498	21,106	22,358	23,468	25,037	26,219	27,773
Highland	14,081	14,789	15,425	15,997	16,491	17,030	17,544	17,952
Lehi	42,047	44,608	47,180	49,804	51,982	54,079	56,314	58,351
Lindon	9,698	9,937	10,093	10,282	10,434	10,552	10,686	10,761
Orem	86,849	88,112	88,820	89,724	90,485	91,697	93,220	94,420
Pleasant Grove	31,457	32,565	33,330	34,010	34,858	35,771	36,678	37,439
Provo	110,201	111,940	113,105	114,179	114,804	115,345	115,718	116,199
Saratoga Springs	14,696	16,108	17,902	19,508	21,061	22,532	24,088	25,671
Vineyard	192	161	194	177	421	901	1,673	2,958

(TABLE 2.1: CONT.)

	2018	2019	2020	2010 – 2020 AAGR (ACS)	2010 (DEC)	2020 (DEC)	2010 – 2020 AAGR (DEC)	2021 (PEP)
Alpine	10,430	10,477	10,509	1.49%	9,555	10,251	0.71%	10,359
American Fork	29,384	30,399	31,636	2.23%	26,263	33,337	2.41%	34,422
Eagle Mountain	29,919	32,412	35,431	7.07%	21,415	43,623	7.37%	49,738
Highland	18,362	18,726	19,012	3.05%	15,523	19,348	2.23%	19,611
Lehi	61,508	64,006	66,980	4.77%	47,407	75,907	4.82%	79,978
Lindon	10,826	10,912	11,072	1.33%	10,070	11,397	1.25%	11,709
Orem	95,428	96,725	97,883	1.20%	88,328	98,129	1.06%	97,861
Pleasant Grove	38,066	38,380	38,474	2.03%	33,509	37,726	1.19%	37,949
Provo	116,146	116,403	116,886	0.59%	112,488	115,162	0.24%	114,084
Saratoga Springs	27,347	29,161	31,273	7.84%	17,781	37,696	7.80%	44,164
Vineyard	4,873	7,103	8,628	46.31%	139	12,543	56.87%	14,025

FIGURE 2.1: HISTORIC POPULATION



POPULATION STATISTICS 2010-2020

PLEASANT GROVE

AVERAGE ANNUAL GROWTH = 1.19%
TOTAL INCREASE = 4,217
% OF COUNTY INCREASE = 2.95%

UTAH COUNTY

AVERAGE ANNUAL GROWTH = 2.47%
TOTAL INCREASE = 142,835
% OF STATE INCREASE = 28.13%

STATE OF UTAH

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

Based on the historic Census Bureau AAGR, the 2022 population estimate is 38,721. 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 44,274.

While the TAZ projections start higher than the census estimate of 38,721 in 2022, the AAGR utilized in the TAZ data from 2020 to 2050 is 0.31 percent whereas the Census Bureau AAGR is 1.99 percent from 2020 to 2050. In 2030, the population estimates from the Census Bureau and the TAZ data diverge by 234 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	37,726	37,949	38,721	39,508	40,312	41,132	41,969	42,822	43,693	44,582	45,489	1.99%
TAZ	43,440	43,815	44,274	44,652	45,100	45,413	45,699	45,833	45,750	45,691	45,723	0.31%
Variance	(5,714)	(5,866)	(5,553)	(5,144)	(4,788)	(4,281)	(3,730)	(3,011)	(2,057)	(1,109)	(234)	

TABLE 2.3: TAZ POPULATION PROJECTIONS

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
TAZ	43,440	43,815	44,274	44,652	45,100	45,413	45,699	45,833	45,750	45,691	45,723

TABLE 2.3: TAZ POPULATION PROJECTIONS (CONT.)

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
TAZ	45,795	46,043	46,180	46,385	46,639	46,806	47,033	47,104	47,151	47,237

TABLE 2.3: TAZ POPULATION PROJECTIONS (CONT.)

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	AAGR
TAZ	47,255	47,239	47,327	47,565	47,686	47,708	47,623	47,695	47,689	47,647	0.31%

The City’s demographics relative to age have shifted from 2010 to 2020. 2020 data illustrates a concentration in the 10 to 24 and 35 to 85 years of age categories. Noticeable shifts occurred in the age brackets of under 5 to 9 years of age and 25 to 34 as illustrated in **Figure 2.4**. A comparison of the median age illustrates city residents are older than the County and younger than the State on average.



FIGURE 2.2: AGE DISTRIBUTION AS % OF TOTAL

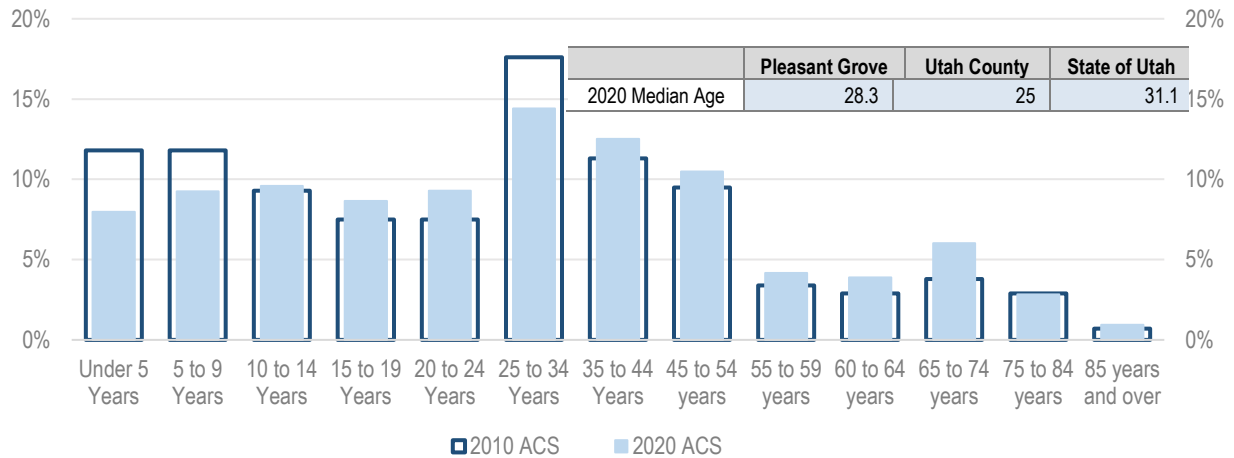


FIGURE 2.3: AGE DISTRIBUTION BY GENDER 2020

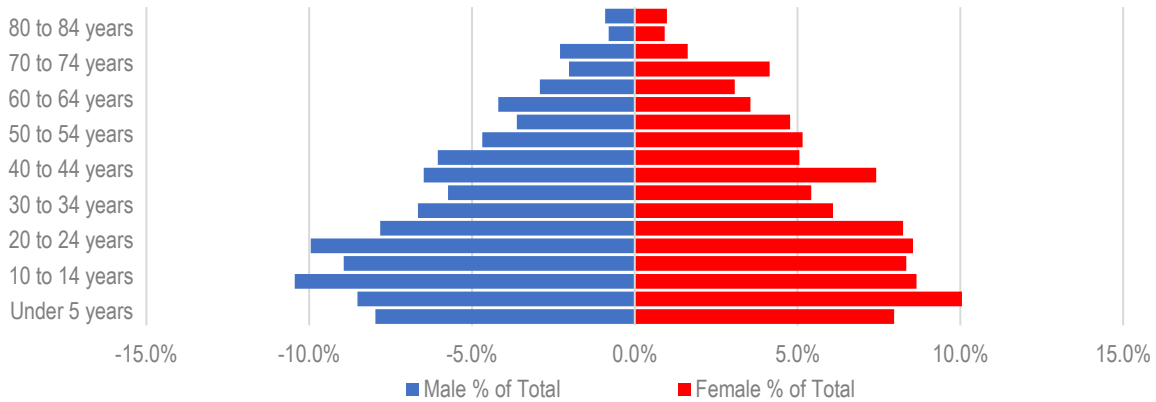
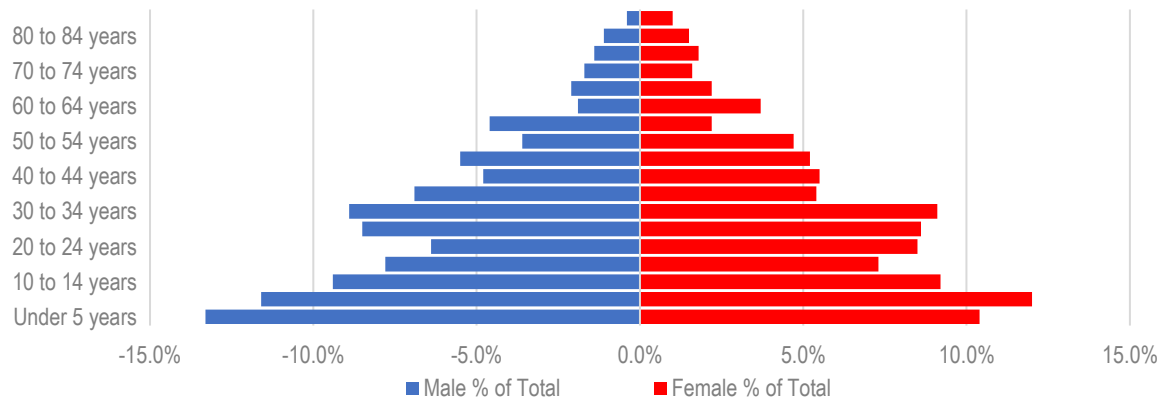


FIGURE 2.4: AGE DISTRIBUTION BY GENDER 2010



HOUSEHOLDS

The total number of households in Pleasant Grove as of the US Census Bureau's 2020 Redistricting Data is 11,388. Of the total housing units, 97.3 percent are occupied with 2.7 percent unoccupied. Utah County has approximately 95.84 percent housing occupancy rate, compared to the State at 91.82 percent. The 2020 US Census Bureau American Community Survey reports that the City has 12,063 housing units in total while TAZ estimates the total number of households as of 2020 as 13,092.

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. Pleasant Grove showed a rebound from the 2008-2011 recessionary conditions, with residential permit activity high in 2013 and staying fairly constant from 2018 to 2020. Due to Utah's housing crisis, residential value spiked in 2021 despite only having a new dwelling unit increase of 129 from 2020. The City saw extensive commercial development in 2013, and 2017 to 2018; otherwise, commercial improvements remained fairly constant as shown in **Figure 2.6**.

FIGURE 2.5: RESIDENTIAL VALUE AND DWELLING UNITS

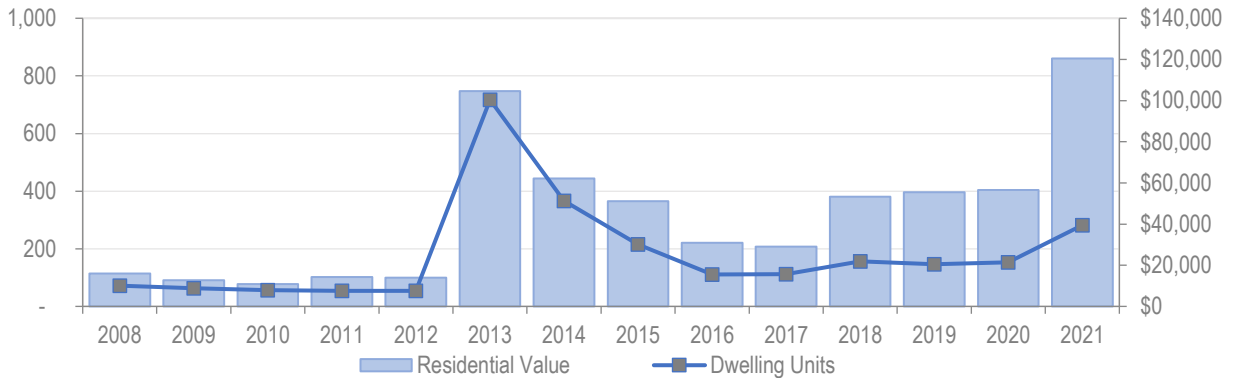
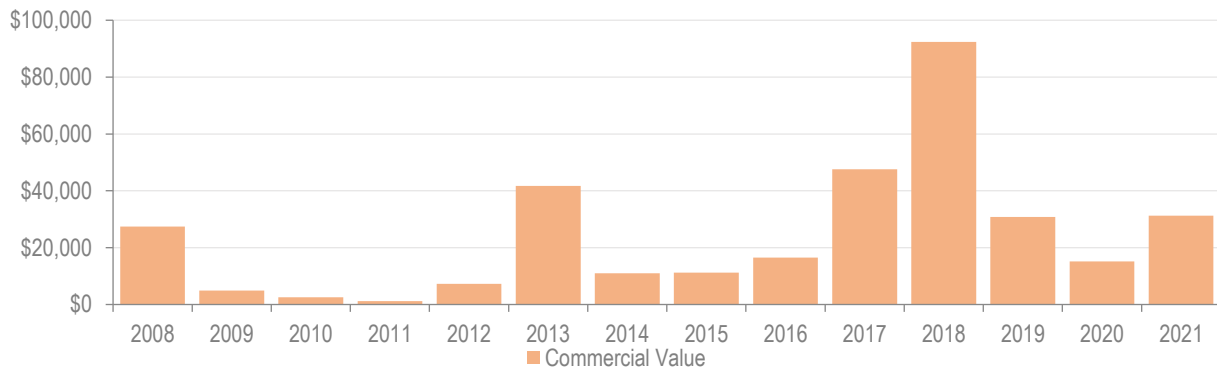


FIGURE 2.6: NEW COMMERCIAL VALUE

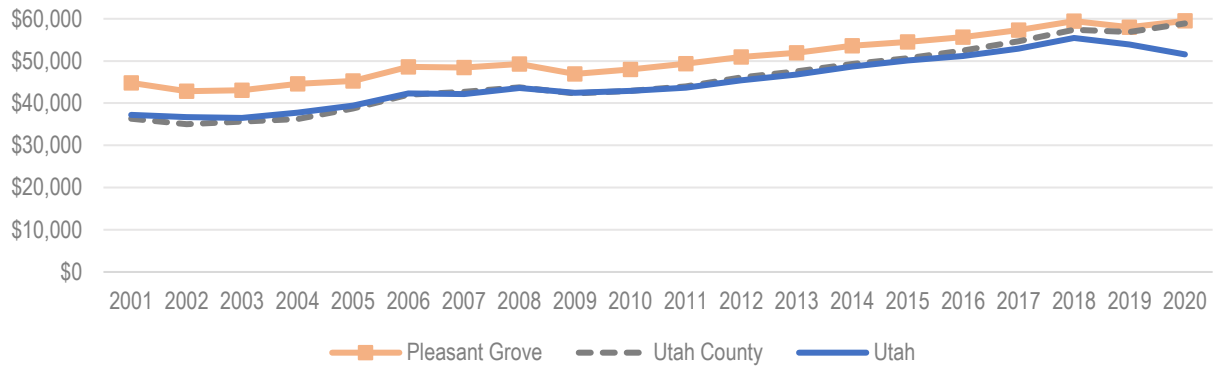


INCOME

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 Pleasant Grove's MAGI was \$59,500. The Pleasant Grove MAGI was slightly higher than Utah County's \$58,900. The State MAGI according was slightly lower than the City and County at \$51,562.



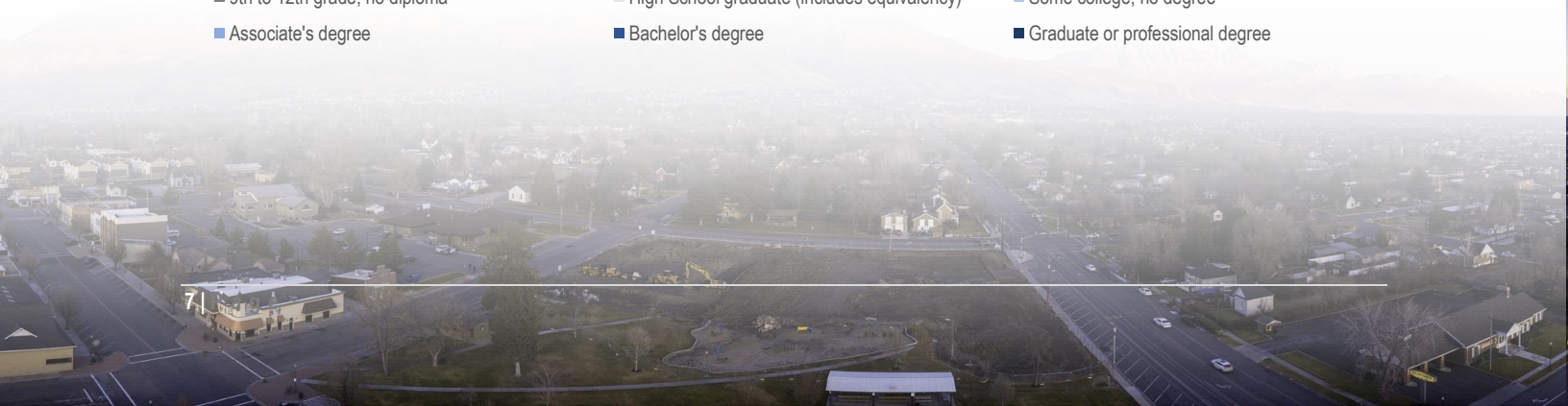
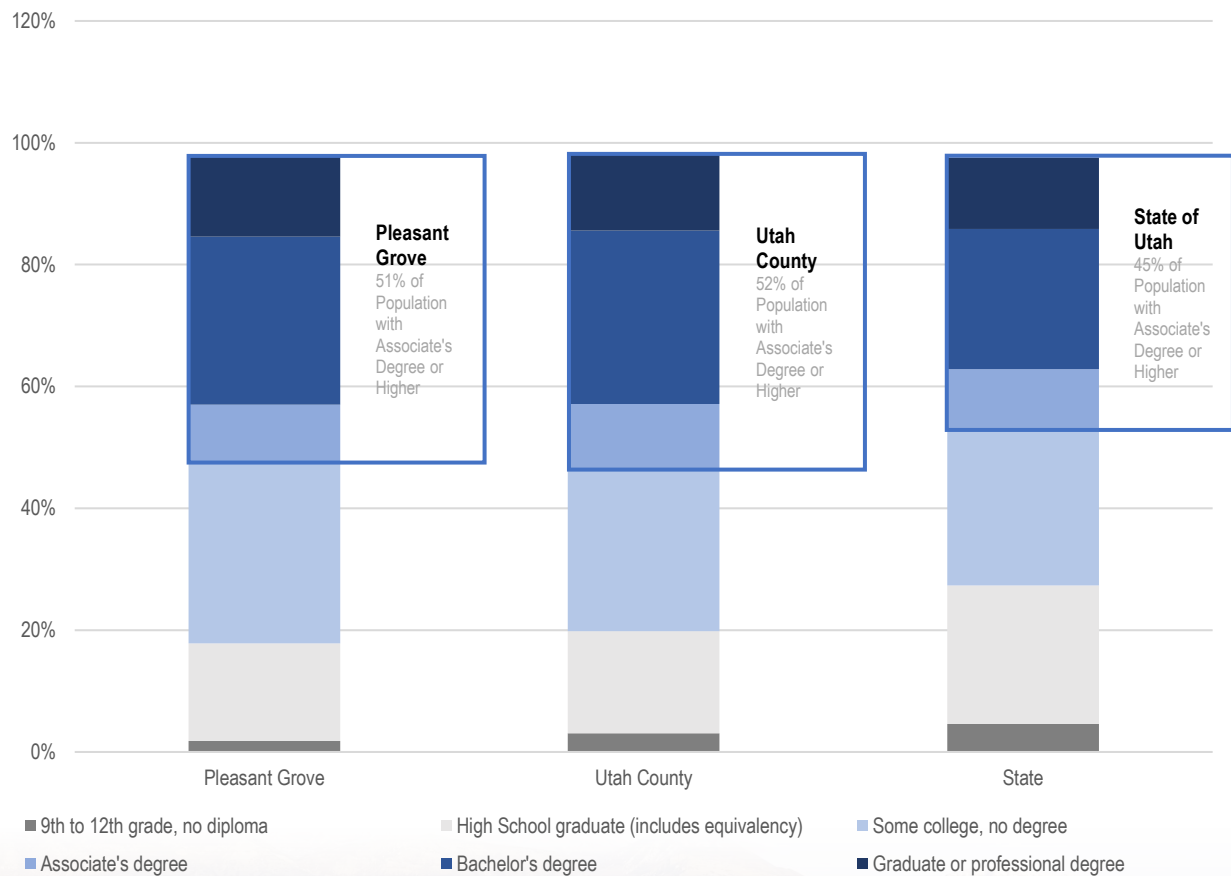
FIGURE 2.7: PLEASANT GROVE MEDIAN ADJUSTED GROSS INCOME ("MAGI")



EDUCATION

According to the US Census ACS 2016-2020 five-year estimates, approximately 51 percent of Pleasant Grove's population 25 years and older has an associate degree or higher, compared to Utah County with 52 percent and the State of Utah at 45 percent.

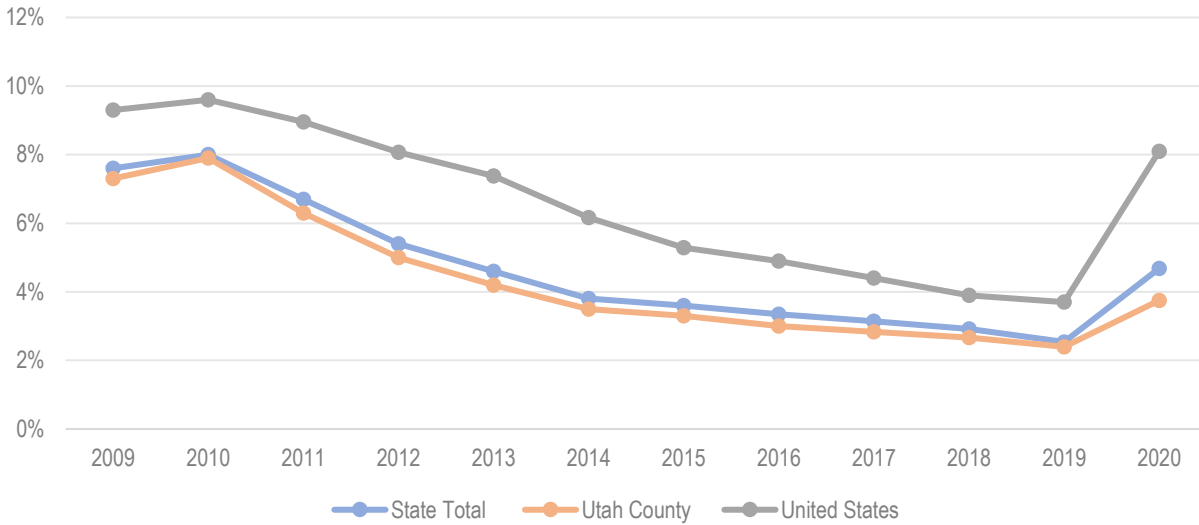
FIGURE 2.8: EDUCATION ATTAINMENT



EMPLOYMENT

The Utah Department of Workforce Services' 2020 Annual Report indicates the unemployment rate in Utah County was 3.7 percent as shown in **Figure 2.9**. This is much 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 Utah County was 1.8 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, Pleasant Grove (“City”) is home to 37,949 residents. The 2020 US Census Bureau American Community Survey reports that the City has 12,063 housing units in total, of which 11,733 are occupied units.¹ There are many more homeowners than renters in Pleasant Grove, with 67.5 percent of homes owner-occupied. This is due to the large number of single-family homes in the City, and few multi-family housing units. The City has 7,915 owner occupied units and 3,818 renter occupied units. Occupied housing has increased at an annual average growth rate (“AAGR”) of 2.48 percent from 2010 through 2020, with owner occupied housing units growing at 1.46 percent and renter occupied units increasing at 5.05 percent.

TABLE 3.1: PLEASANT GROVE HOUSING UNITS

	2010	2020	AAGR
Total Housing Units	9,641	12,063	2.27%
Occupied Housing Units	9,181	11,733	2.48%
Owner-occupied Units	6,849	7,915	1.46%
Renter-occupied Units	2,332	3,818	5.05%

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

As shown in **Table 3.2**, 67.9 percent of Pleasant Grove’s housing stock is single family with 32.1 percent multi-family, mobile home, and other housing types. By comparison, Utah County’s housing stock is comprised of 75.6 percent single family and 24.4 percent multi-family, mobile home, and other housing types.

TABLE 3.2: PLEASANT GROVE HOUSING COST BURDEN RATIO

TYPE	OWNER OCCUPIED		RENTER OCCUPIED		TOTAL	% OF TOTAL
	Count	%	Count	%		
Single Family	7,002	88.5%	968	25.4%	7,970	67.9%
2 to 4 Units	216	2.7%	776	20.3%	992	8.5%
5 to 9 Units	187	2.4%	477	12.5%	664	5.7%
10 or more Units	424	5.4%	1,586	41.5%	2,010	17.1%
Mobile Home & Other	86	1.1%	11	0.3%	97	0.8%
Total Units	7,915	67.5%	3,818	32.5%	11,733	100%

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

Table 3.3 indicates 92.2 percent of occupied housing units in Pleasant Grove have two or more bedrooms. 44.5 percent of the occupied housing stock has four or more bedrooms.

TABLE 3.3: NUMBER OF BEDROOMS PER HOUSING UNIT

	NUMBER OF UNITS	PERCENT OF TOTAL
No bedroom	152	1.3%
1 bedroom	788	6.5%
2 or 3 bedrooms	5,756	47.7%
4 or more bedrooms	5,367	44.5%

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

A majority of the housing stock in Pleasant Grove was constructed between 1990 and 2009, with the largest growth occurring between 2000 and 2009 with the construction of 3,545 residential units.

TABLE 3.4: CONSTRUCTION YEAR OF HOUSING UNITS

	NUMBER OF UNITS	PERCENT OF TOTAL
2014 or later	1,097	9.1%
2010 to 2013	662	5.5%
2000 to 2009	3,545	29.4%

¹ Most current ACS data available.

	NUMBER OF UNITS	PERCENT OF TOTAL
1990 to 1999	2,739	22.7%
1980 to 1989	867	7.2%
1970 to 1979	1,652	13.7%
1960 to 1969	518	4.3%
1950 to 1959	433	3.6%
1940 to 1949	243	2.0%
1939 or earlier	307	2.5%

Source: US Census Bureau, 2016-2020 American Community Survey 5-Year Estimates; Table S2504 & DP04

HOUSING COST BURDEN

The median adjusted gross income in Pleasant Grove is \$59,500. The median household income has grown at an AAGR of 2.18% percent from 2010 through 2020. The Pleasant Grove owner-occupied income in 2020 was \$96,266 while renter-occupied income was \$51,969. The renter-occupied median income increased at an AAGR of 2.97 percent compared to a 3.58 percent growth rate in median gross rent.

The average monthly housing costs for all owner-occupied housing in Pleasant Grove is \$1,361. Monthly costs for owner-occupied housing units with a mortgage is \$1,566 while those without a mortgage is \$453. The median gross rent in the City is \$1,227. The ratio of the City's median rent to renter income is 28.3 percent. The ratio of the City's owner-occupied median income to median mortgage is 19.5 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 is not considered a burden. However, the ratio is nearing the burden threshold.

TABLE 3.5: PLEASANT GROVE HOUSING COST BURDEN RATIO

	2010	2020	AAGR
Median Adjusted Gross Income*	\$47,974	\$59,500	2.18%
Median Income	\$63,421	\$76,672	1.92%
Owner-occupied Median Income	\$73,196	\$96,266	2.78%
Renter-occupied Median Income	\$38,775	\$51,969	2.97%
Median Gross Rent	\$863	\$1,227	3.58%
Owner-occupied w/ Mortgage Cost	\$1,513	\$1,566	0.34%
Owner-occupied w/o Mortgage Cost	\$383	\$453	1.69%
Median Rent to Renter Income	26.7%	28.3%	
Median Mortgage to Owner Income	24.8%	19.5%	

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 Utah County for 2020 was \$77,057. The median family income for a family of four in Utah County ("County") was \$91,073. **Table 3.6** represents the ratio of median rent in Pleasant Grove at 100 percent of the AMI income for a family of four in Utah 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 at the severe burden threshold.

TABLE 3.6: UTAH COUNTY AREA COST BURDEN RATIO

	2010	2020	AAGR
Utah County AMI Family of Four	\$68,433	\$91,703	2.97%
Pleasant Grove Median Rent	\$863	\$1,227	3.58%
100% of AMI Family of Four	15.1%	16.1%	
80% of AMI Family of Four	18.9%	20.1%	
50% of AMI Family of Four	30.3%	32.1%	
30% of AMI Family of Four	50.4%	53.5%	

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 Provo-Orem HUD Metro FMR Area for 2022 is found in **Table 3.7**.

TABLE 3.7: PROVO-OREM RENT LIMITS

PROGRAM	EFFICIENCY	1 BED	2 BED	3 BED	4 BED
Low HOME Rent Limit	\$820	\$878	\$1,041	\$1,216	\$1,357
High HOME Rent Limit	\$880	\$914	\$1,041	\$1,479	\$1,708
Fair Market Rent	\$880	\$914	\$1,041	\$1,479	\$1,782
50% Rent Limit	\$820	\$878	\$1,053	\$1,216	\$1,357
65% Rent Limit	\$1,045	\$1,121	\$1,348	\$1,549	\$1,708

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

HISTORIC BUILDING PERMITS

The City has issued building permits for 2,324 units from 2011 to 2021. These include 935 single-family units, 655 condominiums or townhomes, 24 duplex or twin homes, 683 multi-family units, and 27 mobile/manufactured/other homes. Multi-family units have been more prevalent in the last ten years and will continue to be an important tool to address moderate-income housing needs within the City.

TABLE 3.8: PLEASANT GROVE CONSTRUCTED UNITS

YEAR	SINGLE FAMILY UNITS	CONDOMINIUMS/TOWNHOMES	DUPLEX DWELLINGS	MULTI-FAMILY UNITS	MOBILE/ MANUFACTURED	TOTAL CONSTRUCTED UNITS
2011	44	-	2	8	-	54
2012	40	6	-	8	-	54
2013	109	346	-	262	-	717
2014	70	101	2	193	-	366
2015	99	114	2	-	-	215
2016	79	28	4	-	-	111
2017	63	-	2	47	-	112
2018	98	12	2	18	26	156
2019	103	12	-	30	1	146
2020	113	-	10	30	-	153
2021	117	36	-	129	-	282
Total	935	655	24	683	27	2,324

Source: Kem 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 Survey² data and the U.S. Housing and Urban Development Comprehensive Housing Affordability Strategy³ (“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 3,415.⁴

At ≤80 percent HAMFI, there are 2,075 renter households with 1,894 units currently available. This suggests a shortage of 181 rental units at the ≤80 percent of HAMFI income level. However, the City has a total of 2,965 affordable units suggesting a surplus of affordable units for this income bracket. This mismatch in available and affordable housing suggest 1,071 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 915 affordable unit deficit exists

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

³ U.S. Department of Housing and Urban Development 2015, most current available.

⁴ 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.



with renters occupying 305 units despite their median income being above the HAMFI threshold. At ≤30 percent HAMFI, there is a deficit of 565 rental units.

TABLE 3.9: PLEASANT GROVE HOUSING GAP

2018 SHORTAGE	RENTER HOUSEHOLDS	AFFORDABLE RENTAL UNITS	AVAILABLE RENTAL UNITS	AFFORDABLE UNITS - RENTER HOUSEHOLDS	AVAILABLE UNITS - RENTER HOUSEHOLDS	HOUSING MISMATCH
≤ 80% HAMFI	2,075	2,965	1,894	890	(181)	1,071
≤ 50% HAMFI	1,135	525	220	(610)	(915)	305
≤ 30% HAMFI	655	190	90	(465)	(565)	100

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.⁵ Historically, the housing units outpaced households. The current inverse relationship is evidence of the housing shortage in the State of Utah. The Pleasant Grove 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

From 2020 through 2022, the City has allowed for a total of 109 accessory dwelling units (ADUs), with 85 percent being basement ADUs.

TABLE 3.10: PLEASANT GROVE ACCESSORY DWELLING UNITS

YEAR	ABOVE GARAGE	ADDITION	BASEMENT	DETACH BUILD	OTHER	TOTAL
2020	2	2	35	0	1	40
2021	1	2	37	2	2	44
2022	2	1	21	1	0	25
Total	5	5	93	3	3	109

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

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

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.

The following table lists the Fair Market Rents applicable in Pleasant Grove for the Provo-Orem 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 3.11: HUD FAIR MARKET RENTS FOR PROVO-OREM UTAH

	EFFICIENCY	1 BED	2 BED	3 BED	4 BED
2023	\$1,001	\$1,009	\$1,156	\$1,643	\$1,969
2022	\$880	\$914	\$1,041	\$1,479	\$1,782

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

Homeownership Assistance Program - The Homeownership Assistance Program is designed to increase home ownership throughout Utah 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 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

Pleasant Grove 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 low density areas.

Allows residential development as a primary use:

- Rural Residential (R-R)
- Single-Family Residential (R-1)
 - Single-Family Residential (R-1-7)
 - Single-Family Residential (R-1-8)
 - Single-Family Residential (R-1-9)
 - Single-Family Residential (R-1-10)
 - Single-Family Residential (R-1-12)
 - Single-Family Residential (R-1-15)
 - Single-Family Residential (R-1-20)
- Medium Multiple - Residential (RM-7)
- Downtown Village (DV)
- The Grove

Allows residential development for conditional uses:

- Commercial Sales-2 (CS-2)
- General Commercial (C-G)

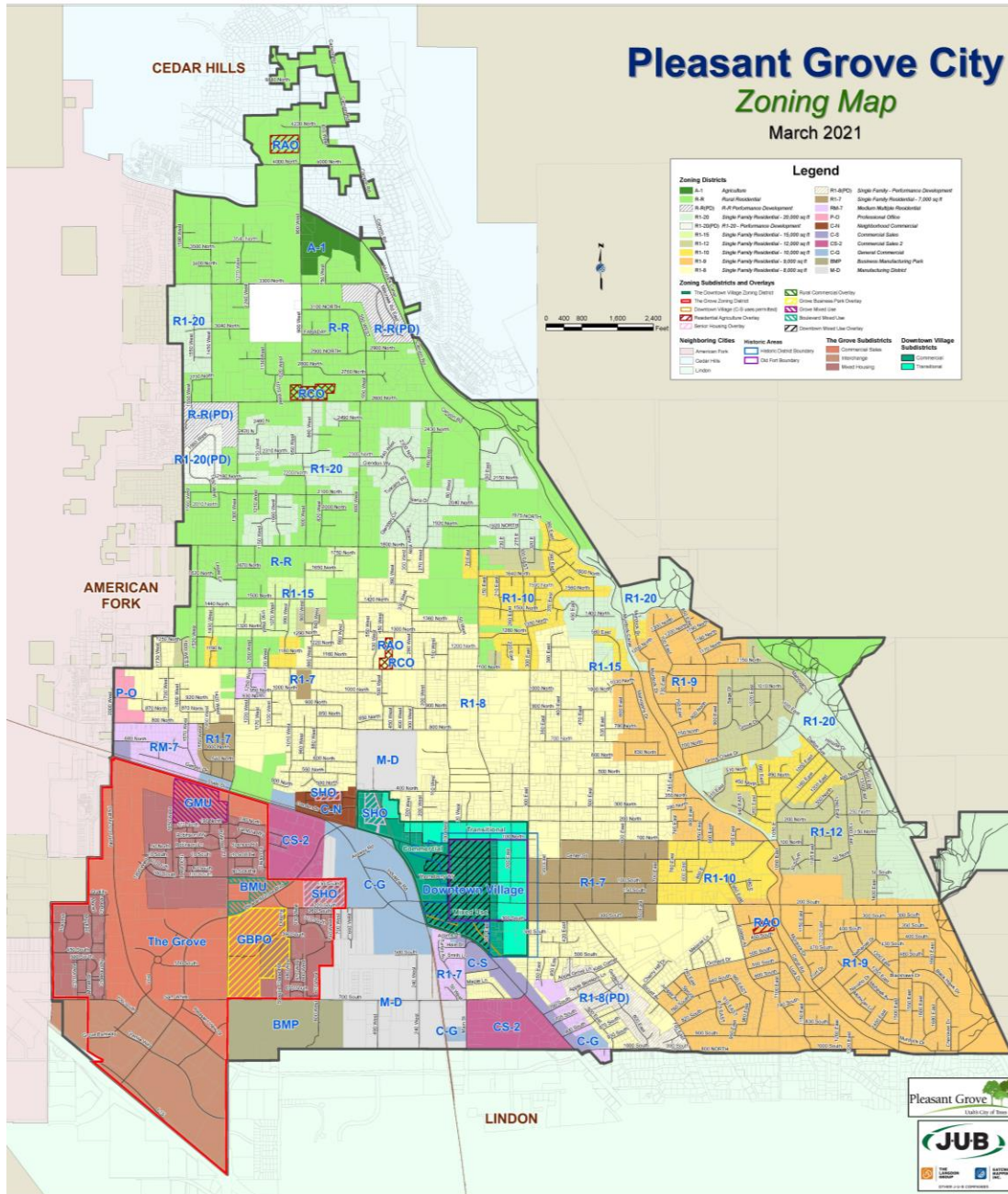
Does not allow residential development as the primary use:

- Professional Office (P-0)
- Neighborhood Commercial (C-N)
- Community Commercial (C-C)
- Commercial Sales (C-S)
- Business Manufacturing Park (BMP)
- Manufacturing District (M-D)

Figure 4.1 represents the City's current zoning districts.



FIGURE 4.1: PLEASANT GROVE ZONING MAP



ANALYSIS OF CURRENT ZONING REGULATIONS

New ordinances and development guidelines have been implemented by the City to facilitate moderate-income housing and continue to be modified in anticipation of future redevelopment needs. Pleasant Grove recently adopted City Ordinance No. 2017-23 which introduced a residential element to the Downtown Village Zone to specifically to encourage a greater range of housing types as part of mixed-use redevelopment in the city core. See Downtown Village Zone Code adopted in 2017 (Title 10, Chapter 11, Article E).

https://codelibrary.amlegal.com/codes/pleasantgroveut/latest/pleasantgrove_ut/0-0-0-23559

Since the adoption of these codes several multi-family housing projects have been adopted or are currently being finalized, each having potential for helping to meet the city's moderate-income needs.

In addition, the City created and adopted "Accessory Dwelling Unit" ordinance in their municipal code to provide for affordable housing with reasonable regulations for supplementary living accommodations in ADUs located in residential areas of the city

https://codelibrary.amlegal.com/codes/pleasantgroveut/latest/pleasantgrove_ut/0-0-0-25915

BARRIERS RELATED TO AFFORDABLE HOUSING

Pleasant Grove has proactively sought to encourage affordable housing within the community. During this process, City officials and residents alike have sought to discover ways to address ways to retain features of the city that make it a desirable place to live while also accommodating the needs of a growing city. With the growing cost of housing and concern about losing family-friendly characteristics of the city, residents have expressed concern about whether redevelopment will allow their children to remain in Pleasant Grove. 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. Pleasant Grove 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).
- Amend land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the residence's own vehicle, such as residential development near major transit investment corridors or senior living facilities (Strategy H).
- Create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones (Strategy W).



STRATEGY 1: REZONE FOR DENSITIES

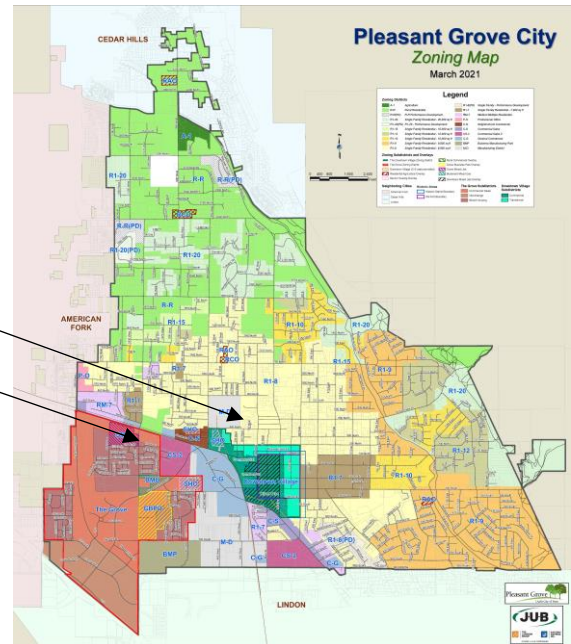
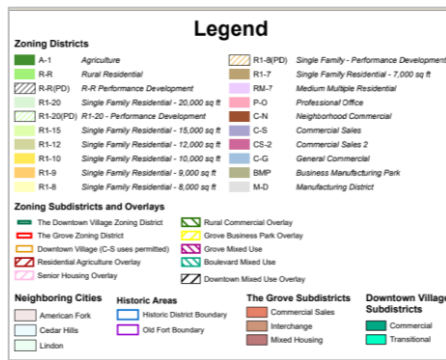
Pleasant Grove has rezoned for densities to facilitate the production of moderate-income housing (Strategy A)

City Ordinance No. 2017-23 rezoned 4 acres of property from commercial use to residential use as an effort to provide residential units within the downtown area and create a transition between high intensity commercial uses and the neighboring residential properties.

The City also created a new zone called the Boulevard Mixed-Use zone with a density of 23 units per acre. Approximately 11.5 acres of land were rezoned to the Boulevard Mixed-Used zone allowing for a higher density than the previous 12 units per acre, which better lends to the production of moderate-income housing near large commercial centers.

IMPLEMENTATION:

- Create a handout to provide developers with information detailing the multiple housing programs available to promote housing affordability (February 2023).
- Follow up with developers to monitor the progress regarding the creation of affordable residential units within new development, particularly in the Boulevard Mixed-Use zone (Summer 2023).
- Collect information regarding current home prices to measure the impact of City Ordinance No. 2017-23's rezone on the affordability of recently developed residential units and in surrounding areas (Summer 2023).



STRATEGY 2: CREATE OR ALLOW FOR AND REDUCE REGULATIONS RELATED TO INTERNAL ADUs

Pleasant Grove has created regulations related to internal accessory dwelling units (ADUs) in residential zones (Strategy E).

Pleasant Grove City has created and adopted a city-wide ordinance, Ordinance No. 2016-5, to allow for accessory apartments and or permanent tiny homes. The processing fee is only \$25, and the accessory apartment may be attached or detached.

See: https://codelibrary.amlegal.com/codes/pleasantgroveut/latest/pleasantgrove_ut/0-0-0-25915

The City collects data on the number of ADUs per year, as shown in **Table 3.10**, to track and measure ADUs effect on housing affordability. In addition to continuing this collection mechanism to monitor ADUs in the City, Pleasant Grove has expressed the biggest issue with the accessory apartment code is it is not well known. The City will continue marketing strategies to promote the registration of existing accessory apartments and the construction of new ADUs.

IMPLEMENTATION:

- Market Ordinance No. 2016-5 by including its information in Pleasant Grove's Newsletter (June 2023).
- Hand out pamphlets with the City's ADU policies during Strawberry Days, Pleasant Grove's primary heritage celebration (June 2023).
- Promote Ordinance No. 2016-5 on the main website portal and post a new link online to make the process to apply for an ADU more efficient and user-friendly (June 2023).
- Continue to monitor the number of applications received and approved for accessory apartment dwellings biannually (June and December each year).

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

Pleasant Grove has zoned or rezoned 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).

In order to meet diverse needs of the residents including the facilitation of moderate-income housing, Pleasant Grove City adopted City Code Ordinance No. 2017-27 in which a residential element was introduced to the Downtown Village Zone. Understanding that the amount of land dedicated for the Downtown Village Zone is limited and while desiring to provide for a more diverse type of residential units, the density designated for the Downtown Village Zone Commercial District was determined to be fluid and not associated with the typical acreage element as a cap for the maximum density allowed (Title 10, Chapter 11, Article E).

The approved code amendment allows as a permitted use in the zone the creation of 3 residential units for every 1,000 square feet of commercial uses provided in the same building or parcel. This allows for true mixed-use sites and buildings and has increased the array and diversity in the types of dwellings thereby facilitating the construction of moderate-income residential units.

IMPLEMENTATION:

- Monitor Ordinance No. 2017-27 results on affordability by tracking the number of multi-family residential units that are part of a mixed-use project (October 2023).
- Present a proposed ordinance to the Planning Commission and City Council that allows for higher density as long as the extra units resulting from the increase in density are guaranteed to meet the need of residents of the municipality who earn less than 80 percent of the area median income (Spring 2023).

STRATEGY 4: AMEND LAND USE REGULATIONS TO ELIMINATE OR REDUCE PARKING REQUIREMENTS

Pleasant Grove has amended land use regulations to eliminate or reduce parking requirements for residential development where a resident is less likely to rely on the residence's own vehicle, such as residential development near major transit investment corridors or senior living facilities (Strategy H).

The Senior Housing Overlay is a zone within the City that provides areas for independent senior housing developments that are in proximity to community commercial or civic centers. The intent of this overlay zone is to provide adequate accommodation for senior citizens, where the lifestyle is less burdensome and more convenient for residents to perform daily activities.

The Senior Housing Overlay Zone provides one of the densest areas in the city with 24 dwellings per acre. City Ordinance No. 2017-43 was adopted as an effort to alleviate the parking requirements for senior housing within the City. The approved and adopted ordinance reduces the parking requirements from 2 to 1.25 parking stalls for units having 2 or less bedrooms. The intent of the ordinance was to relieve parking requirements and as an incentive for the creation of smaller units providing different dwelling unit types.

The City also has adopted a new Ordinance, Ordinance No. 2018-22, in which the parking requirements were reduced for multifamily developments in the recently created Boulevard Mixed-Use Zone. The intent of the Boulevard Mixed Use Zone with a density of 23 units per acre is to be located near transit corridors, and the approved ordinance reduced the requirements from 2 parking stalls per unit to 1.75.

See: https://codelibrary.amlegal.com/codes/pleasantgroveut/latest/pleasantgrove_ut/0-0-0-23680#JD_10-11E-2-12

It is the goal of Pleasant Grove to continue evaluating areas that could be suitable for further parking reductions, particularly areas located near transit corridors where a resident is less likely to rely on one's own vehicle.

IMPLEMENTATION:

- Plan and approve a new senior housing development within 2.5 acres of the Senior Housing Overlay Zone (Winter 2024) that implements Ordinances No. 2017-43 lessened parking requirements.

STRATEGY 5: CREATE OR ALLOW FOR, AND REDUCE REGULATIONS RELATED TO MULTIFAMILY RESIDENTIAL

Pleasant Grove has created or allowed for, and reduced regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones (Strategy W).

Downtown Pleasant Grove is a primary focus for future change within the City's new general plan. In addition to introducing residential uses to the Downtown Village Zone, the adjacent residential neighborhoods to Downtown offer an opportunity to help bring additional demand for commercial uses Downtown as part of a walkable community.

The residential neighborhoods adjacent to Downtown already have historic precedents for the allowance of du-/tri-/quad-plexes that are compatible in scale and form with the single-family homes. With adjustments to zoning ordinances, there is a reasonable opportunity for future infill projects in Pleasant Grove that could support the creation of new smaller-scale multi-family residential dwellings in these existing single-family neighborhoods. This strategy is an opportunity to establish "missing middle" housing in established neighborhoods near the Downtown core and along the 200 South corridor, and will also promote increased pedestrian activity, walkability and help revitalize Main Street in the process.

Following adoption of the future land use plan, the City will evaluate zoning within the Midtown Residential district which describes the aforementioned neighborhoods and determine an appropriate overlay or other adjustment to the

Downtown Village, R1-8 and R1-7 zoning to reduce regulation and allow for the construction of du-/tri-/quad-plexes or other housing types that are compatible in scale and form with single-family residential.

IMPLEMENTATION:

- Propose an ordinance to the Planning Commission and City Council to add a density bonus for Planned Development Overlay for affordable units including deed-restricted units or units that will be constructed by nonprofit housing organizations (Spring – Summer 2023).
- Hold a work session with the Planning Commission and City Council on city policies that create incentives for developers to pay fees into a housing fund that support the creation or construction of affordable units by the adoption of the new General Plan (Spring 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

<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>