

Pleasant Grove City  
Moderate-Income Housing Plan

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## Purpose

This housing section is an amendment to the current housing element in the 2007 Pleasant Grove City General Plan. The purpose of the housing element is to both identify the current and future need for moderate-income housing and to create a plan that provides a realistic opportunity to meet future needs for moderate income housing in Pleasant Grove.

## Introduction

As with other cities in Utah, both the city and residents have sometimes found the rapid growth, and the changes it brings to the community, very challenging. Elected officials, residents, and city staff find it difficult to find ways of retaining the features of the city that make it a desirable place to live while also accommodating the needs of those wishing to move to the city. Residents worry about losing the family-friendly character of the city, increases in traffic, noise, air pollution, and loss of open space. They also worry about the growing cost of housing and that it may someday be impossible for their children to live in Pleasant Grove

## Current Conditions and Projections

When the 2020 census data is available, more specific data can be presented. For now, data from the 2010 census can be compared to American Community Survey (ACS) data. The survey provides estimates for the 5-year period of 2013-2017. Note that the data used to make estimates about the 5-year period (2013-2017) is based on ACS data from 2011-2015.

## Population

**Pleasant Grove had a total population of 33,509 in 2010.** This number is from the 2010 decennial census.

The estimate for the population of Pleasant Grove during the 5-year period of 2013-2017 is estimated to be 37,439. **Thus, the City grew by 3,930 residents between the years 2010 and 2017.**

**The population five years from now (2024) is estimated to be 42,413.<sup>2</sup> By this estimation, another 4,974 residents will belong to Pleasant Grove five years from now.**

Even more telling than overall population growth, are the changes in specific age ranges as these changes are most relevant when projecting housing needs.

- The population of children and teenagers (residents under 18 years old) saw a slight increase from 12,866 in 2010 to 13,168 during the 2013-2017 time period. That's an increase of only 302 young residents.

- The population of adults (ages 18 to 100+) increased from 20,643 in 2010 to 24,271 during the 2013-2017 time period. **Thus, the population of adult residents, 18 years or older, increased by 3,637.**

**In other words, more adult residents were added to the population than young residents.** This is significant because the addition of new adults creates a higher demand on housing supply and drives up housing prices -- as opposed to adding young residents (infants or children) who can live with existing families/households and do not have as high of an impact on housing demand.

- The population of adults, age 62 years and older, increased from approx. 2,762 in 2010 to approx. 3,541 during the 2013-2017 time period. **That's an increase of 779 residents at retirement age.**

This increase in the number of adults at retirement-age is expected as Baby Boomers reach retirement age.

## Age

The following are the main conclusions about age for residents of Pleasant Grove.

- Pleasant Grove City has a very young population. Roughly 64.8% of residents during the 2013-2017 time period were 34 years of age or younger.
- The largest cohort, both in 2010 and during the 2013-2017 time period, was Generation Z which includes all individuals born between 1997 and the present.
- Specifically, the largest age group of residents during the 2013-2017 time period were those aged 15-19 (Gen Z), a total of 4,004 individuals. This age group will be seeking affordable

housing options in the next five years as they become young adults. These individuals will be 20 - 24 years old in 2024.

- The age distribution during the 2013-2017 time period was approximately:
  - 40.5% - Gen Z (Infant - Age 19)
  - 24.3% - Millennials (Ages 20-34)
  - 16.4 % - Gen X (Ages 35-49)
  - 14.3% - Baby Boomers (Ages 50-69)
  - 4.5% - Silent Generation (Ages 70+)

**Looking forward to the year 2024, 5 years from now,** *housing options for young adults (ages 20-24) of Generation Z will be in high demand. New and existing residents who are Millennials and members of Gen X will need affordable housing for their families. Baby Boomers residents will be looking to downsize.*

## **Owner-occupied units v. Renter-occupied units**

- In 2010, approx. 31,457 residents were in occupied housing units. Of those residents, 25,095 (80%) lived in owner-occupied units and 6,392 (20%) lived in renter-occupied units.
- In 2017, approx. 37,378 residents were in occupied housing units<sup>2</sup>, 25,444 residents (68%) lived in owner-occupied housing and 11,934 residents (32%) lived in renter-occupied housing.
- The percentage of population in renter-occupied units has increased since 2010 by 12%.

# Income

Income data for “households” and “families” are provided. Families are a subset group of the greater category of households. In other words, families can be households, but households are not always families.

Definition of Household	Definition of Family
<i>“A household includes all the people who occupy a housing unit as their usual place of residence.”</i>	<i>“A group of two or more people who reside together and who are related by birth, marriage, or adoption.”</i>

**A majority of households in Pleasant Grove earn less than \$74,999 annually, approximately 56.7%.** (Figure 1)

In Pleasant Grove, families appear to fair better financially than when compared to the larger category of all households. **A majority of families also earn less than \$74,999 annually. However, the percentage for families is slightly less at approximately 51.4%.** (See Figure 2)

**To summarize, a majority of households and families in Pleasant Grove, whether there are one or two earners, make less than \$74,999 per year.** A detailed breakdown of household income is provided in Figure 3 below.

Figure 1

## Annual Income of Households Pleasant Grove

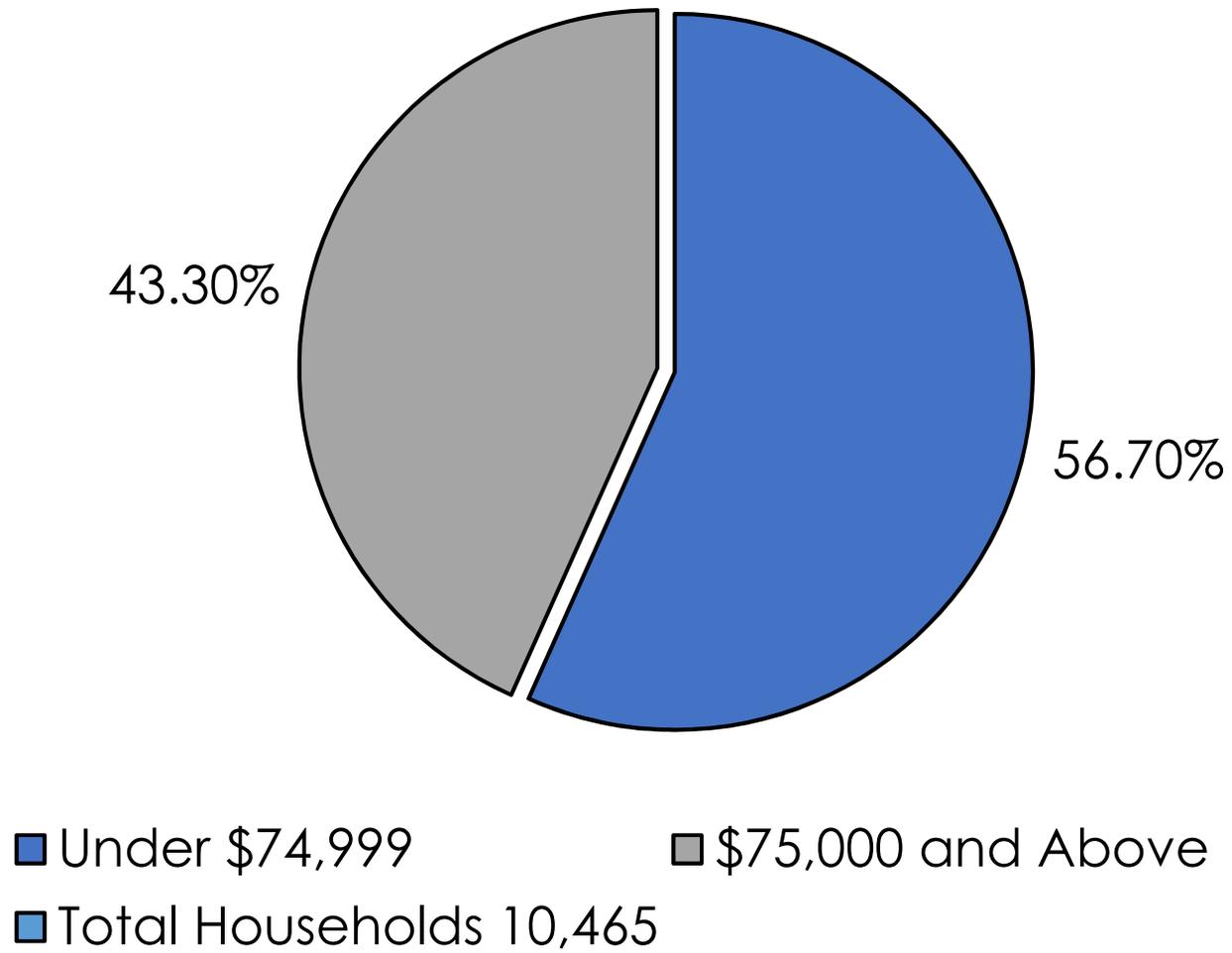


Figure 2

## Annual Income for Families Pleasant Grove

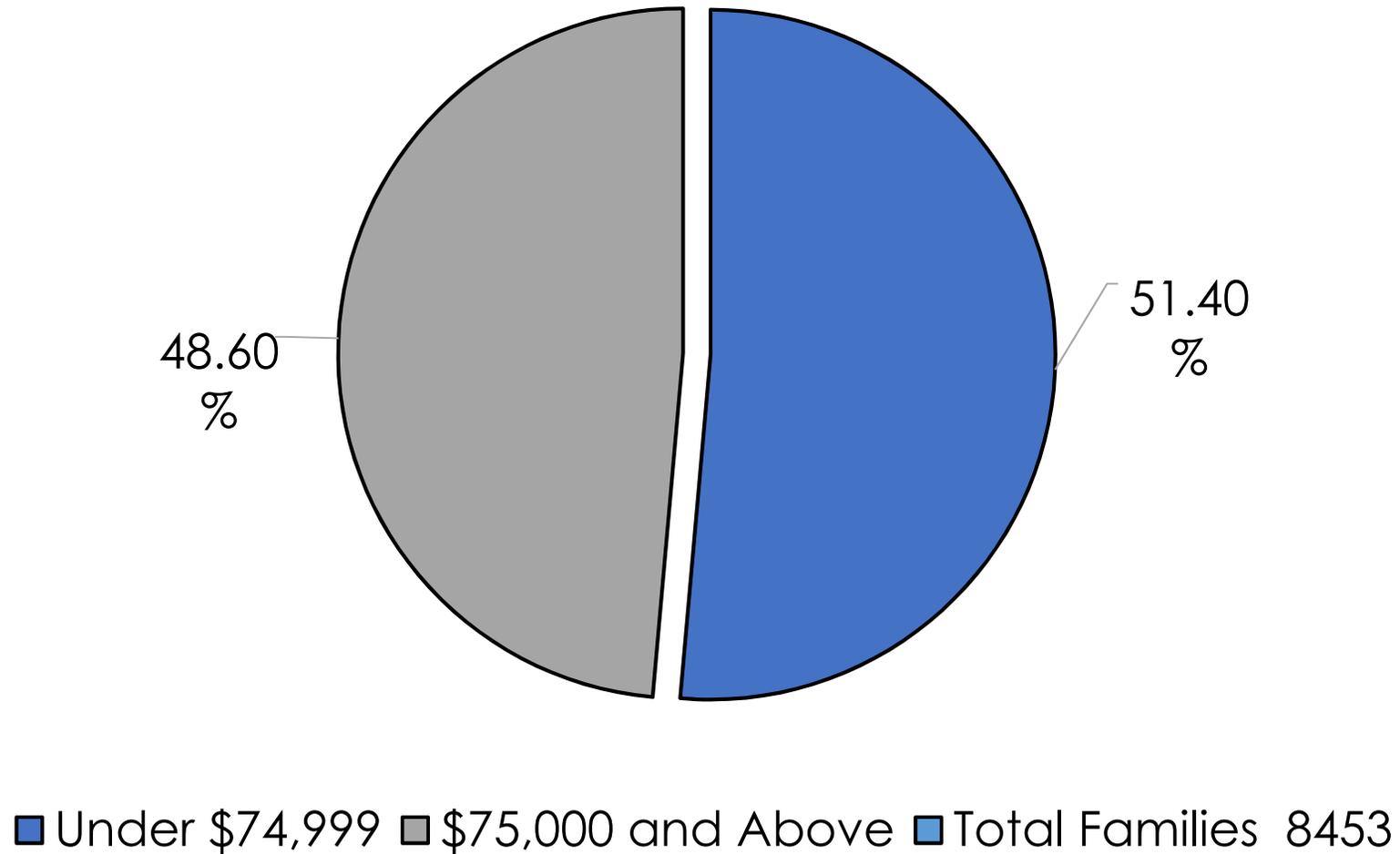
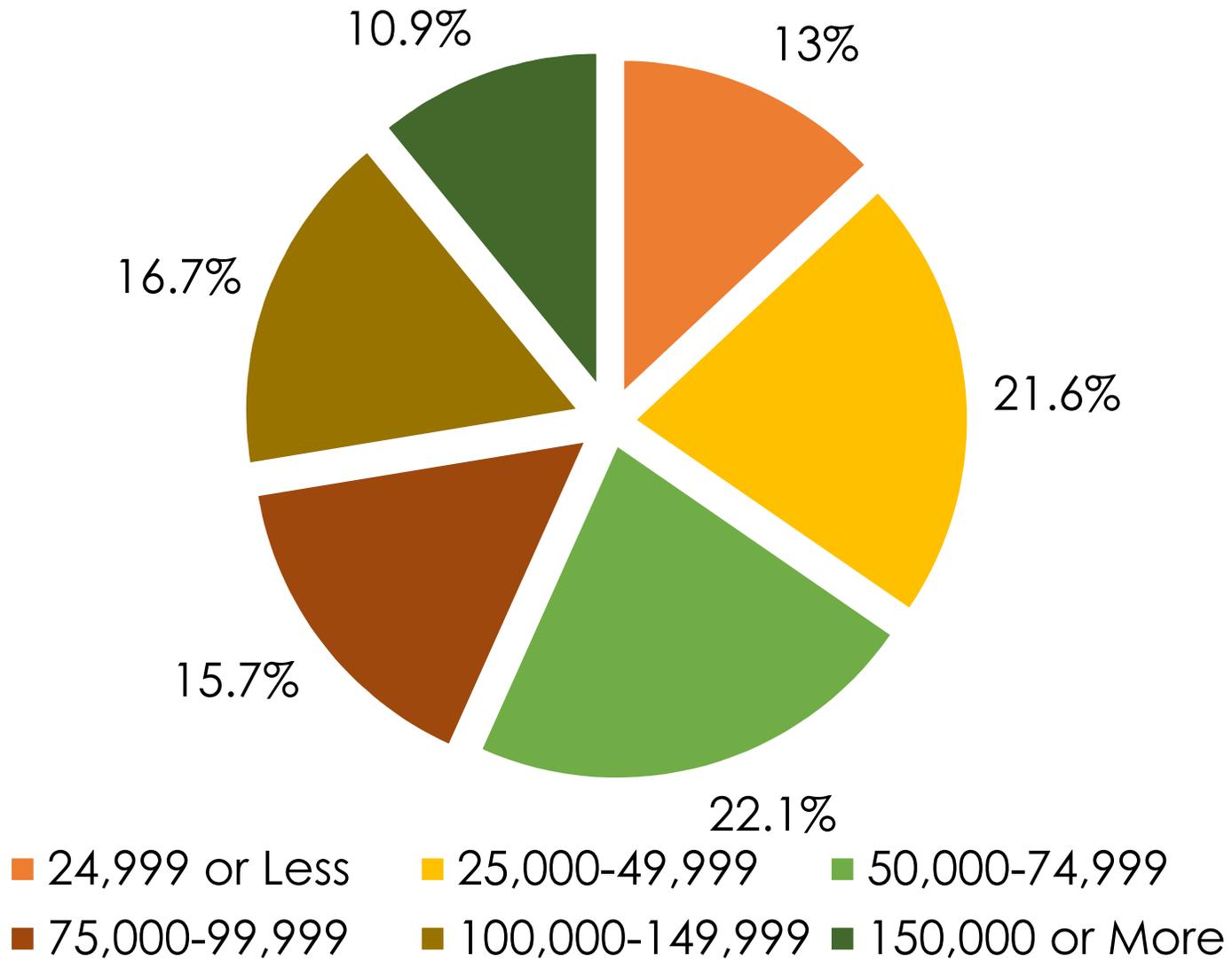


Figure 3

### Breakdown of Household Income Pleasant Grove



## Housing Affordability

Utah has successfully bounced back from the Great Recession of 2008 with a bustling economy and strong employment growth. A side effect of this strong employment growth is a high demand for housing. This demand has pushed housing prices through the roof.

This is great news for those who purchased a home one, two or three decades ago. However, it is important to note that these lucky individuals, many aging baby boomers, still struggle to find affordable housing options in Utah after they sell and cash in their earnings. This is because all of their downsizing options have also become expensive and scarce.

As the large generation of baby boomers reach retirement age and look to downsize, they will be increasingly competing with Millennials and those in Generation Z for housing options.

To put this into perspective, 4,004 current high school students in Pleasant Grove (members of Gen Z) will become ages 20-24 in the next five years and will be on the lookout for housing. Additionally, more than 92% of Pleasant Grove's population growth between 2010 and 2017 were adults, 18 years of age or older. 3,637 new residents were adults compared to only 302 new residents who were children and teens.

Another 4,974 new residents are expected to be added to Pleasant Grove in the next five years. If the trend of new adult residents continues at 92%, another 4,576 adults will need housing options in 2024.

In 2010, a typical rental unit in Pleasant Grove cost a resident \$863 per month. By 2017, the cost was \$1,071 per month. Assuming the growth in rent will continue as it has, typical rent in Pleasant Grove will be \$1,332 per month in 2024. Includes utilities.

## Income Categories

The definition for "moderate income housing" from State Code Section 10-9a-103 is the following:

*"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 median gross income is also referred to as the area median income (AMI) and is specific to a family of four (4). **The estimated 2017 AMI for a family of four in Utah County is \$80,998.** The AMI is calculated separately for each year.

The following chart illustrates the various income levels which are "equal to or less than 80%" of the median gross income (for a family of 4) or area median income (AMI) as it will be referred to in this plan.

<b>\$64,798 or More</b>	<b>Non-Low Income (80% +)</b>
<b>\$40,499 - \$64,798</b>	<b>Moderate Income (50-80%)</b>
<b>\$24,299 - \$40,499</b>	<b>Low Income (30-50%)</b>
<b>\$24,299 or Lower</b>	<b>Very Low Income (Less than 30%)</b>

## What is Affordable?

Affordability for housing is measured by using the income categories listed above to determine if families at those income levels pay more than 30%, or more than 50%, of their income for monthly housing costs. (A housing cost to income ratio called the cost burden ratio)

Ratios greater than 30% indicate that a 4-person family would be “burdened” by the typical housing costs in Pleasant Grove.

Ratios greater than 50% indicate that the average 4-person family in the county would be “severely burdened.”

Cost burden is determined by income category and gross median rent for each year, which ranges from \$863 in 2010 to \$1,071 in 2017.

*Gross rent is defined as the following:*

*“The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) if these are paid for by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials which result from varying practices with respect to the inclusion of utilities as part of the rental payment.”*

The following table illustrates which income categories pay more than 30% (orange) and more than 50% (red). (Figure 4)

The main conclusions that can be drawn from this table about housing affordability are the following:

- Although family income also grew from 2010 to 2017, many families have been cost burdened since 2010.
- Families making 80% of the AMI who rent a unit in Pleasant Grove will experience an increase in their monthly housing cost in the next five years. Their cost burden ratio will reach 23.7% in 2024. However, these households would not be considered “burdened” by housing costs.
- Families who make 50% of the AMI have been cost burdened by rent since 2010, paying more than 30% of their income in housing costs. Currently, these families only slightly cost burdened, they pay 31.7% of their income for housing costs. Their cost burden is expected to increase in the next five years to 37.9% unless measures are taken and strategies are implemented to increase the supply of housing for low-income families.
- Families who have a “very low income,” 30% of the AMI, have been severely cost burdened since 2010, paying more than 50% of their income in housing costs. These families are projected to pay 63.2% of their income for housing costs in 2024. Measures need to be taken to allow these families to “participate in all aspects of neighborhood and community life” as required by state code section 17-27a-403.

Figure 4:

Approximate Housing Cost Burden Ratio at HUD's 80%, 50%, and 30% Income Limits based on a 4-person family

	2010	2011	2012	2013	2014	2015	2016	2017	2024 Projection
Ratio of median rent in the municipality to <b>100%</b> of the median income of a family of 4	15.1%	15.9%	17.2%	17.5%	18.0%	18.2%	16.5%	15.9%	19.0%
Ratio of median rent in the municipality to <b>80%</b> of the median income of a family of 4	18.9%	19.8%	21.5%	21.9%	22.5%	22.7%	20.7%	19.8%	23.7%
Ratio of median rent in the municipality to <b>50%</b> of the median income of a family of 4	30.3%	31.7%	34.4%	35.0%	36.0%	36.4%	33.1%	31.7%	37.9%
Ratio of median rent in the municipality to <b>30%</b> of the median income of a family of 4	50.4%	52.9%	57.3%	58.3%	60.1%	60.6%	55.2%	52.9%	63.2%

## Current Housing Stock

Utah County Assessor's Office provided data for all residential properties in Pleasant Grove. Below is a list of housing types in Pleasant Grove.

Type	Number	Units	% Total Units
Detached Single-family	6203	6203	57.8%
Single-family w/ Accessory Apt	190	380	3.5%
Modular Homes	29	29	0.3%
Mobile Homes	90	90	0.8%
Townhomes (Single-family Attached)	505	505	4.7%
Twinhomes	30	60	0.6%
Duplex Buildings	68	136	1.3%
Triplex Buildings	13	39	0.4%
4-Plex Buildings	117	468	4.4%
5-8 Unit Properties	7	39	0.4%
9-19 Unit Properties	1	16	0.1%
100+ Apartment Properties	4	880	8.2%
High Density Condominiums	1114	1114	10.4%
55+ Restricted Condos/Apts	644	644	6.0%
Nursing Home Beds	5	130	1.2%
<b>Total Units</b>		<b>10733</b>	<b>100.0%</b>

## Moderate-Income Housing Supply

The Department of Housing and Urban Development (HUD) provides a plethora of data on housing affordability. The tables on the following page were provided by HUD and are based on their Comprehensive Housing Affordability Strategy (CHAS) dataset.

The tables provide the number of renter households within each of the income categories and lists how many affordable rental units Pleasant Grove City has for each income level.

The shortage or surplus of affordable units for each income level is provided in the fourth column from the right for both 2016 and 2018.

The Income categories are based on HUD Adjusted Median Family Income (HAMFI) for the County in 2016 (\$67,600) and in 2018 (\$74,700).

(Note that the numbers listed in the “renter households” column does not add up to the total number of renter households in Pleasant Grove City because the renter households making 80% or more of the County AMI for a family of 4 are not included.)

The three main conclusions about the supply of moderate to low income rental units are the following:

1. The city had a surplus of affordable units for the “Moderate Income” category in 2016 and this surplus improved in 2018. There was a surplus of 890 affordable units in 2018.
2. The shortage of affordable units deepened from 2016 to 2018 for those making less than or equal to 50% of the HUD Adjusted Median Family Income (HAMFI). (“Low Income” and “Very Low Income” Categories)
3. There was a total shortage of 1,075 affordable rental units for households making less than \$37,350 in 2018.

<b>2016 - HAMFI \$67,600</b>	
\$33,800 - \$54,080	Moderate Income (50-80% HAMFI)
\$20,280 - \$33,800	Low Income (30-50% HAMFI)
\$20,280 or lower	Very Low Income (Less than 30% HAMFI)

<b>2018 - HAMFI \$74,700</b>	
\$37,350 - \$59,760	Moderate Income (50-80% HAMFI)
\$22,410 - \$37,350	Low Income (30-50% HAMFI)
\$22,410 or lower	Very Low Income (Less than 30% HAMFI)

<b>2016 Shortage</b>	Renter Households	Affordable Rental Units	Affordable Units - Renter Households
≤ 80% HAMFI	1,635	2,340	705
≤ 50% HAMFI	855	370	-485
≤ 30% HAMFI	345	140	-205

<b>2018 Shortage</b>	Renter Households	Affordable Rental Units	Affordable Units - Renter Households
≤ 80% HAMFI	2,075	2,965	890
≤ 50% HAMFI	1,135	525	-610
≤ 30% HAMFI	655	190	-465

A unit is considered affordable if a family pays no more than 30% of their income for housing expenses including utilities. Minimum wage in Utah is \$7.25 per hour, which is approximately \$15,000 per year (gross)

# Survey of Residential Land Use

The following is a list of all zones that allow residential uses and what type of housing each zone allows. A table is provided to summarize this information. (Figure 5)

- **Single-family Residential R-1 Zones (R-1-7 to R-1-20)**

- Single-family Residential Zones with lot sizes that vary from 7,000 sq. ft. (R-1-7) to 20,000 sq. ft (R-1-20). Typical subdivisions with public streets are allowed.
- Permitted Uses:
  - Detached single-family
- Conditional Uses:
  - Two-family dwellings (Duplexes and Twin Homes)
  - Assisted living facilities

- **Rural Residential Zone (R-R)**

- Single-family Residential Zone with a minimum lot size of 0.5 acres (21,780 sq. ft.) Typical subdivisions with public streets are allowed.
- Permitted Uses:
  - Detached single-family
- Conditional Uses:
  - Two-family dwellings (Duplexes and Twin Homes)
  - Assisted living facilities

- **Medium Multiple-Residential Zone (RM-7)**

- Permitted Uses:
  - Detached single-family
  - Two-family dwellings (duplex)

- Conditional Uses:

- Two-family dwellings (twin home)
- Multi-family dwellings
- Density for multi-family dwellings is determined by General Plan. The General Plan calls for 6 or more units per acre in these areas.

- **Downtown Village (DV) – Transitional Subdistrict**

- Permitted Uses:

- Detached single-family
- Attached single-family (townhomes)
- Single-family attached to commercial storefront
- Two-family dwellings (duplex)
- Two-family attached to commercial storefront
- Multi-family dwellings (max. 3 units per bldg, built to have appearance of single-family)
  - Density 10-units per acre

- Conditional Uses:

- Two-family dwelling (twin home)

- **Downtown Village (DV) – Commercial Subdistrict**

- Permitted Uses:

- Detached single-family
- Attached single-family (townhomes)
- Single-family attached to commercial storefront
- Two-family dwellings (duplex)
- Two-family attached to commercial storefront

- Conditional Uses:
  - Two-family dwelling (twin home)
  - Mixed-Use - 3 residential units for every 1,000 sq. ft. of commercial with public street frontage
- **The Grove – Mixed Housing Subdistrict**
  - Permitted Uses:
    - detached single-family (private or public streets)
    - single-family attached to 1 or more dwellings (townhomes)
    - detached single-family with a commercial storefront
    - 3-plex or 4-plex (built to look like a single-family home, can be condo or rentals)
    - 2-story apartments with 8 units per building (can be 3-story if commercial use in on main floor – mixed use) Rental or Condo
    - Assisted living facilities/ retirement homes
  - Density for Multi-family Dwellings is 12 units per acre. (Further restricted by housing type and setbacks)
- **Commercial Sales-2 Zone (CS-2)**
  - Permitted Uses: No residential
  - Conditional Uses:
    - Two-family dwellings (Duplexes and Twin Homes)
    - 3-plex or 4-plex (built to look like a single-family home, can be condo or rentals)
    - 2-story apartments with 8 units per building (can be 3-story if commercial use in on main floor – mixed use) Rental or Condo
    - Single-family Attached (Townhomes, max. 6 units per bldg)

- Density for Multi-family Dwellings is 12 units per acre. (Further restricted by housing type and setbacks)
- **General Commercial Zone (C-G)**
  - Permitted Uses: No residential
  - Conditional Uses: Assisted living facilities (Nursing Homes)

## Allowed Residential Uses

Zone	SF Detached	SF Attached Townhome	SF w/ Comm.	2-family Duplex	2-family Tw'n Home	Two-w/ Comm.	3-plex	4-plex	Multi-family**	Multi-family 5+ Units, no comm.	Mixed Use	Nursing Home
R-1	X			X	X							X
R-R	X			X	X							X
RM-7	X			X	X					X		
DV - Trans.	X	X	X	X	X	X	X					
DV - Comm.	X	X	X	X	X	X					X	
Grove - Mixed Housing	X	X	X				X	X	X		X	X
CS-2		X		X	X		X	X	X		X	
C-G												X

\*\* Max. 8 units per building with or without commercial

# The Way Forward

Pleasant Grove City is committed to the following goals, strategies and actions.

Housing Goals	
Provide ample opportunities for residents to live in Pleasant Grove at all stages of life.	
Ensure that those who work and provide services in Pleasant Grove can afford to live in Pleasant Grove.	
Provide housing that is affordable for residents with various lifestyles and income levels.	

	Strategies		Actions	Time Period
A	Provide More Flexibility in The Zoning Code	1	Amend General Plan to allow greater flexibility for lot sizes	4 yrs
		2	Create an R-1-6 Zone	4 yrs
		3	Change minimum front and side yard setbacks for R-1 Zones	4 yrs
		4	Remove 20' dwelling width requirement	4 yrs
	Strategies		Actions	Time Period
B	Encourage a more diverse housing stock for various stages of life, incomes and lifestyles	1	Actively Market the recently adopted code for Accessory Apartments in Existing and New Development	6 mo
		2	Reduce parking requirements for residential developments where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities	2 yrs
		3	Revise City Code to be more friendly to Assisted Living for the Elderly and 55+ Senior Housing	2 yrs
	Strategies		Actions	Time Period
C	Provide incentives for residential development, or redevelopment,	1	Provide developers with information about government subsidies for affordable housing.	6 mo

with long-term, guaranteed affordability	2 Revise The Grove Zone and Downtown Village Zone to allow residential units if a portion of the units are affordable and sales-tax generating uses are also provided	2 yrs
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## Housing Goals

### ***Provide ample opportunities for residents to live in Pleasant Grove at all stages of life***

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Having this goal means encouraging and supporting quality housing options for Pleasant Grove residents through all stages of their life. In an ideal Pleasant Grove, a child who grew up in Pleasant Grove could find their first rental in early adulthood; find a home for a family of their own; and late in life, when their kids leave their home, downsize to a smaller home, condo, or apartment.

### ***Ensure that those who work and provide services in Pleasant Grove can afford to live in Pleasant Grove***

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The aim of this goal is to ensure that those who work and provide a service in Pleasant Grove can live in Pleasant Grove. This means that ample housing units are provided that can be sustained on salaries from a variety of full-time jobs such as line cooks, customer service representatives, hair stylists, and hotel/entertainment venue staff. Not only is a local workforce good for business, it also has the added benefit of reducing traffic congestion near the interchange as well.

### ***Provide housing that is affordable for residents with various lifestyles and income levels.***

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This goal is broad in scope and aims to provide housing for residents with various lifestyles. Allowing for a varied housing stock with many different housing types can support residents who may be retired, receiving social security and working very little or not at all; residents who works part-time for a business and provides the rest of their income by doing detailed craftwork or art; and residents who are single mothers or single fathers, freelancers, musicians and a growing number of those participating the in the gig economy, can be supported by allowing for various housing types.

## **Strategies and Actions**

### ***Strategy A: Provide More Flexibility in the Zoning Code***

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Providing greater flexibility in the zoning code encourages a wider variety of home sizes and lot sizes. Both of these factors play a role in the cost of housing. The four actions that will be utilized to implement this strategy are aimed at reducing regulatory barriers. The housing market drives a wide variety of home sizes and lot sizes. The zoning code restricts these options to a select few. Pleasant Grove City plans to encourage more variety in the housing stock by amending the general plan and zoning code. Due to the fact that these changes may be sensitive for more than 6,000 property owners and will require coordination with several utility companies, the time period to complete these actions has been set at 4 years.

### ***Action A1: Amend General Plan to Allow for Greater Flexibility in Lot Sizes***

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The Current Pleasant Grove General Plan (2007) has five residential land use designations that all residential zones are categorized under. The designations group these residential zones by the units

per acre allowed in each zone. (Density) The designations allow less density the farther they get from State Street.

The Pleasant Grove Vicinity Plans for Undeveloped Properties (2014) shows portions of the city that are mostly raw land and available for new residential subdivisions.

These portions are mostly small pockets of property that were formerly, or are currently, used for farming and agriculture. Due to the irregular shapes of these properties, allowing greater flexibility in lot sizes would not only increase the diversity of the housing stock, but it would also allow for cleaner layouts of future subdivisions on said properties.

For example, the zones between 1100 N and 1800 N range wildly in lot size from 8,000 square foot lots (R-1-8 Zone) to ½ acre lots (R-R Zone). The land use designation of “Low Density” only allows for R-1-12 and R-1-15 Zones, 12,000 and 15,000 square foot lots, respectively. The reason for this mismatch is that many of the properties were rezoned prior to the adoption of the current land use designations in the 2007 General Plan.

This area between 1100 N and 1800 N is a good model to illustrate how allowing zones of varying lot sizes in the past, has encouraged greater diversity of the housing stock, with varied price points, and more choices for the prospective home buyer.

### ***Action A2: Create an R-1-6 Zone***

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This action to create a new zone goes hand-in-hand with the amendment of the general plan land use designations as described in Action A1. Specifically, this action calls on the city to amend city code to include a new single-family residential zone with a minimum lot size of 6,000 sf.

Currently, the smallest lot size allowed in the R-1 Single-family Zones has a minimum lot area requirement of 7,000 SF (R-1-7). Reducing the size of lots may reduce the cost of homes because developers pay less for land and get more lots.

Nearby cities, such as Vineyard, have recently built good quality subdivisions with 5,000-6,000 square foot lots.

### ***Action A3: Change Minimum Front and Side Yard Setbacks for R-1 Zones***

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The action calls on the city to amend city code to reduce the required depth of front and side setbacks/yards. This action is in keeping with the strategy to increase flexibility in the zoning code. This action has a more nuanced impact on affordability. The following are two ways that this action can reduce housing costs.

Reducing the setbacks provides more buildable area on a lot. Premade floor plans are less expensive to build than custom floor plans. One of the biggest barriers to using premade floor plans is that the proposed home does not fit within the required setbacks. By increasing the buildable area on lots, homeowners can use premade floor plans more often. This is especially helpful if a homeowner is pursuing the affordable option of a modular home. Modular homes are manufactured and brought to a site in pieces and assembled on a permanent foundation. This method can be less expensive than typical construction methods.

Allowing for a larger buildable area on residential lots provides more options for current and future homeowners to add accessory apartments. Pleasant Grove City allows accessory apartments to be added to a lot in many ways including additions, and detached structures/tiny homes. For owners of homes that are yet to be constructed, a larger buildable area increases their available options and choices.

In contrast, the owners of existing homes are limited by placement of the existing home coupled with large setback requirements that often restrict a homeowner's ability to add additions. For that reason, a larger buildable area would significantly increase their options for adding an accessory apartment in new additions.

Currently, all zones between the R-1-8 and R-1-20 Zones require a front setback of 25 feet. The R-1-7 Zone currently allows a front setback of 20 feet. With this action, all R-1 front setbacks would be 20 feet in depth.

Side yard setbacks in the R-1-8 to R-1-20 Zones are currently 10 feet. (The same size as the required public utility easement along the perimeter of every new residential lot in the city.) Reducing side yard setbacks on interior lots to 5 feet or 8 feet would also provide more flexibility and a larger buildable area. For this change, the city will also need to reduce the size of required public utility easements which will require coordination with several utility companies.

#### ***Action A4: Remove Minimum 20-foot Dwelling Width Requirement***

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There is a requirement in City Code Section 10-15-30 which provides the requirements for all single-family and two-family dwellings in the city. One of said requirements is a minimum dwelling width of

20 feet. (Not counting the width of the required 2-car garage.) Removing this requirement would allow for greater flexibility and more diversity in the housing stock.

The 20-foot minimum width requirement likely stems from a time when cities were attempting to restrict factory-built homes (especially mobile homes) from single-family zones. The zoning code now has strong definitions for mobile homes and modular homes. Mobile homes are only allowed in mobile home parks and modular homes are allowed in all single-family residential zones provided they are placed on a permanent foundation and meet all other requirements in Section 10-15-30. Therefore, the 20-foot requirement is no longer necessary.

***Strategy B: Encourage a more diverse housing stock for various stages of life, incomes, and lifestyles***

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The aim of this strategy is to support all three of the housing goals. With the actions presented below, real momentum toward the housing goals is possible.

Unfortunately, the current trend of issuing less than 4% of residential building permits for all housing types, except new detached single-family homes, is not ideal when contemplating the provision of moderate-income housing. For the years 2015, 2016, 2017 and 2018, a total of 13 permits were issued for various housing types that were not detached, single-family dwellings, which added a total of 75 units to the housing mix. During these same years, 451 new detached single-family dwelling permits were issued. Less than 190 of the new detached single-family homes had accessory apartments.

***Action B1: Actively Market Accessory Apartments in Existing and New Single-family Homes***

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Accessory Apartments have been allowed in Pleasant Grove City Code on and off since 1960 in specific parts of the city. In 2016, a modern accessory apartment code was passed to officially allow accessory apartments with a deadline to register the apartments with the city.

As of March 2019, 190 accessory apartments have been registered. This number includes existing accessory apartments that may have been rented for quite some time and brand-new accessory apartments in both existing homes and new dwellings.

Pleasant Grove appears to have the least restrictive code for accessory apartments in Utah. Accessory apartments can be located within, or attached to, a single-family residential dwelling, or within a detached accessory structure or tiny home. The definition of a “family” in Pleasant Grove is also one of the least restrictive allowing any number of related people, or four unrelated people, to live together as a family unit. Therefore, up to eight unrelated people can legally live together in a single-family dwelling with an accessory apartment as long as one of the individuals owns the property. (All accessory apartments must be owner-occupied)

The passing of the most recent accessory apartment code has the potential to greatly increase the number of affordable housing units.

For example, the median mortgage in Pleasant Grove is \$1,561 per month. If the property owner had a mortgage payment of \$1,561 per month and charged the median gross rent for 2017 (\$1,071) for an a two-bedroom accessory apartment, the homeowner would only be responsible for only \$561 of their mortgage. If the rent of were split between two unrelated roommates, each roommate would pay only \$535.50. **Approximately \$500 per month would be an affordable monthly housing cost for households in the lowest income category.**

Somehow 185 affordable rental units were created between 2016 and 2018, according to HUD data mentioned afore. Given the permits issued during that time for new development, mentioned above, it must be the case that the 185 affordable rental units came from the existing housing stock.

The highest number of reported “2-unit” dwellings was 215 in 2014. There are 68 structures currently being taxed as duplexes. There are 190 accessory apartments in the city that have been registered as of March 2019. (Other accessory apartments may exist, but have not yet even registered.)

The accessory apartments may account for some of the 185 new affordable rental units. Accessory apartments are not recorded by the ACS or by the Utah County Assessor’s Office. Therefore, it is currently difficult to measure their benefit to housing affordability. Pleasant Grove City will work on more detailed record keeping moving forward.

**It is very easy to have an accessory apartment in Pleasant Grove. The biggest problem with the accessory apartment code is that is not well known.** To help solve this problem, the city will create colorful flyers; newsletters; reach out to local tiny home manufacturers and real estate brokerages; and update the website to actively promote both the registration of existing accessory apartments and the construction of new accessory apartments. This marketing, along with more specific record keeping, could prove a useful tool in supporting and measuring housing affordability.

The city will begin this marketing campaign within 6 months of the adoption of this plan.

***Action B2: Lessen the parking requirements for residential developments where a resident is less likely to rely on the resident's own vehicle, such as residential development near major transit investment corridors or senior living facilities***

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In the last 20 years, Pleasant Grove City has seen a sudden increase in the number of multifamily units built. This is specifically occurring in three different areas: The Grove and its subdistricts, the Downton Village and its subdistricts and the CS-2 Commercial Zone, which have the common objective of being walkable areas where services could be planned to be located within walking distance for the residents. As of today, Pleasant Grove City is actively working with its metropolitan planning organization, Mountainland Association of Governments, Utah Transit Authority, diverse planning firms and neighboring cities to develop not just new routes, but new options for public transit that would greatly benefit the residents of these three aforementioned areas of the city.

The existing public transit opportunities in Pleasant Grove City are limited to three bus routes that operate through the city, routes 807, 809 and 850. Of these routes, Route 805 and 809 have a strong presence in the Downtown area as well as along State Street, with Route 809 looping through the Grove Zone. While these bus routes cannot be considered mass transit options, Pleasant Grove has recently reevaluated its parking requirements for conglomerate housing along Center Street and Pleasant Grove Boulevard, both of which are vital roads of The Downtown and The Grove District.

Recent code amendments have taken place in regards to the parking requirements for conglomerate housing in the Senior Housing Overlay Zones, going from 2.5 required parking stalls to 1.25 required stalls for units that are part of a high-density project. A similar situation happened in the Grove Zone, where the code was amended to reduce the total number of parking stalls required per unit in high density housing projects along Pleasant Grove Boulevard.

It is the goal of Pleasant Grove City, to continue evaluating the requirement of parking stalls per unit on projects along transportation corridors and adjust the parking requirements as new options for public transportation, such as a future Bus Rapid Transit route, evolve within the city.

### ***Action B3: Revise City Code to Be More Friendly to 55+ Senior Living and Assisted Living Developments***

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The population of adults age 62 and older in Pleasant Grove is expected to increase as the large cohort of Baby Boomers age. Higher demand for low-cost, post-retirement housing is on the horizon. Because age-restricted apartments/condos and new assisted living centers are disincentivized in city code through large and complicated setback requirements and burdensome processes, a good solution would be to revise City Code to be more friendly to residential development specifically for older residents.

The Senior Housing Overlay (SHO) has a purpose statement that has a great objective.

“The senior housing overlay zone (SHO) is established to provide an area for independent senior housing developments that are in proximity to community commercial or civic centers. This overlay zone is not intended for assisted living, nursing homes, hospitals, clinics, healthcare centers, or like uses. 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.”

However, the actual requirements of the overlay do not encourage new developments for senior housing. (In fact, the developer of the age-restricted apartments currently under construction on Center Street, removed the existing SHO on the property before completing the site plan approval process.)

For example, the SHO requires a 40-foot setback from a public street. In many zones, parking is not allowed in front setback and it must be landscaped. Therefore, a 40 strip along the entire frontage of a property must be utilized for landscaping and not include buildings or parking. In addition to

requiring a rezone to apply the overlay (which costs time and money), the setbacks are also prohibitive.

Assisted Living Facilities for the elderly are listed as a conditional use in many zones. However, the supplemental standards (conditions) for the facility have a setback requirement that is an overly complicated equation for the A-1 Zone.

For example, a 12,000 square foot, 25-foot tall building in the A-1 zone would have the following a 55-foot setback. The equation to figure out this setback would look like this:

$12,000 \text{ SF} / 1,200 \text{ (min. floor area for the zone)} = 10$ . Then take that 10, add 30 (the A-1 front yard setback) + 10 the A-1 (side setback) + 5 (height of bldg. above 20 feet) = 55 feet. Thus, a 55-foot setback is required from all property lines.

The revising of City Code would also help to clarify the numerous land use codes and terms used throughout the code.

***Strategy C: Provide incentives for residential development, or redevelopment, with long-term, guaranteed affordability***

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To implement this strategy, staff would research ways and create a corresponding document that lays out an array of options for future developers that could make the development and setting apart of affordable units a real and valid option.

With the understanding that most of the rent and mortgage prices are driven by the market, having the opportunity to use this tool to ensure a number of units are affordable for the low income as well

as the very low-income category is vital in the pursuit of providing a guaranteed number of units that are affordable for all income categories within the city.

***Action C1: Provide developers with information about government subsidies for affordable housing.***

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The goal of this action is to educate developers and let them know that they will be supported for seeking out affordable housing subsidies.

For example, a developer used a program called LIHTC to create affordable housing in 2006. The project is west of Macey's on State Street. It is called Green Grove Apartments and has 168 units that are guaranteed to be affordable until 2036.

Rent for these units ranges from \$920 for a 2 bed, 2 bath with 899 square feet to \$1,059 for a 3 bed, 2 bath with 1,065 square feet. The units are income-restricted.

To qualify for LIHTC (Low-Income Housing Tax Credit), a project must meet the requirements of a qualified low-income project. Project sponsors/developers are required to set aside at least 40 percent of the units for renters earning no more than 60 percent of the area's median income (the 40/60 test) or 20 percent of the units for renters earning 50 percent or less of the area's median income (the 20/50 test).

These units are subject to rent restrictions such that the maximum permissible gross rent, including an allowance for utilities, must be less than 30 percent of imputed income based on an area's median income.

The benefit to a developer can be in the millions of dollars. The LIHTC tax credits requires the units to be affordable for another 15 years after they stop earning the benefit. This is where the 30-year guarantee comes from.

If a developer would like to pursue an affordable housing subsidy, they will need a site for their projects. The next action addresses this concern.

***Action C2: Revise The Grove Zone and Downtown Village Zone to allow residential units if a portion of the units are affordable and sales-tax generating uses are also provided.***

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Many cities across the US have codes that require some portion of new residential units in an area/zone/development to be affordable. This practice has come to be known as “inclusionary zoning.”

Critics of the practice say that the practice does not produce enough units to be considered successful.

However, units are guaranteed to be affordable with an entity to enforce it (IRS), and the city does not have to pay anything out of pocket or spend money enforcing the rent-restrictions. Also, the incentive for a developer is clear. Thus, using inclusionary zoning, especially if developers are required to utilize LIHTC or a similar program, is an excellent solution.

A smart way that Pleasant Grove City can implement inclusionary zoning is to allow residential units in the Commercial Subdistrict and Interchange Subdistricts of The Grove Zone. Currently, residential units of any kind are not allowed in these zones unless a property is rezoned to apply the BMU or GMU Overlays.

Developers are currently looking to develop retail/restaurant/sales-tax generating uses because the market is good. However, many of them also want to build residential units in the same development as the retail and restaurants to give them some financial security. (They are very confident that the residential units will be rented or purchased whereas the market could turn and make the commercial portion a bit uncertain.)

The City needs affordable housing units and also needs sales-tax generating uses to continue to provide good quality parks, recreation opportunities and other city services. Therefore, a solution is to allow residential units in the subdistricts so that developers can build residential units along with their commercial developments. However, a portion of those units would be required to be affordable.

Requiring specific programs to be utilized, such as LIHTC, can keep developers from creating loopholes and ensure long-term affordability.