

FARMINGTON, UTAH
ORDINANCE NO. 2023 -05

**AN ORDINANCE ADOPTING AN AMENDMENT TO THE MODERATE
INCOME HOUSING PLAN AS AN ELEMENT OF THE FARMINGTON
CITY COMPREHENSIVE GENERAL PLAN.**

WHEREAS, Farmington City is a political subdivision of the State of Utah; and

WHEREAS, Utah Code section 10-9a-401 requires each municipality to prepare and adopt a general plan; and

WHEREAS, Utah Code section 10-9a-401(3) requires the general plan to address moderate income housing growth; and

WHEREAS, the Farmington City Council, by ordinance adopted a Housing Plan, which is an element of its General Plan on December 6, 2011.

WHEREAS, the Utah Legislature in its 2019 general session enacted S.B. 34 – Affordable Housing Modifications; and

WHEREAS, Utah Code section 10-9a-403 requires that a city with a fixed guideway transit station adopt a minimum of 5 strategies as indicated in the statute; and

WHEREAS, the City Council has reviewed the proposed Moderate Income Housing Plan (the“MIH Plan”) recommended by the Planning Commission which will comply with the applicable Statute, and has held all appropriate public meetings in accordance with Utah law regarding the proposed amendment to the general plan, and

WHEREAS, the City Council desires to adopt the proposed amendment to the MIH Plan as an element of the Farmington City Comprehensive General Plan;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
FARMINGTON, STATE OF UTAH:**

Section 1. Amendment. The Farmington City Comprehensive General Plan, is hereby amended by adding the “Moderate Income Housing Plan”, which is attached hereto as Exhibit "A" and by this reference made a part hereof.

Section 2. Severability. If any section, subsection, clause, sentence or portion of this Ordinance is declared, for any reason, to be unconstitutional, invalid, void or unlawful, such decision shall not affect the validity of the remaining portions of the Ordinance and such remaining portions shall remain in full force and effect.

Section 3. Omission not Waiver. The omission to specify or enumerate in this Chapter those provisions of general law applicable to all cities shall not be construed as a waiver of the benefits of any such provisions.

Section 4. Effective Date. This Ordinance shall become effective upon publication or posting, or thirty (30) days after passage, whichever occurs first.

PASSED AND ADOPTED by the City Council of Farmington City, State of Utah, on this 17th day of January, 2023.

FARMINGTON CITY,



Brett Anderson, Mayor

ATTEST



DeAnn Carlile, City Recorder



Farmington City Moderate Income Housing Plan

January 17 2023

Purpose:

As defined by the State of Utah, Housing is affordable when households of various incomes, spend no more than 30% of their gross monthly income on housing expenses. Moderate Income Housing is that housing which is considered affordable for households whose incomes are 80% or less than the Area Median Income (AMI). In this plan, housing needs for Moderate-Income Households (MIH) fit within the following AMI brackets: 1) Low-income [50-80% AMI], 2) Very low-income [30-50% AMI], and 3) Extremely low-income [<30% AMI].

SB34, adopted by the 2019 Utah Legislature, directed each municipality with a population greater than 5,000, to amend its General Plan to include updated 5-year estimates of moderate-income housing needs. HB 462 was later adopted by the State in 2022 modifying available strategies and requiring additional elements for cities like Farmington with a fixed guideway transit system (FrontRunner). The city's moderate income housing element and its implementation are based on the required three strategic affordable housing development policies chosen from a menu of options provided by the legislation and an additional 2 required strategies in compliance with 10-9a-403(2)(b)(iv).

This Farmington City Moderate Income Housing Plan is adopted in compliance with this mandate, and replaces (where applicable) the 2012 Farmington City Housing Plan.

5-Year Estimates of Moderate Income Housing Needs:

Demographic estimates and estimates of moderate-income housing needs are provided by the U.S Census Bureau and Department of Workforce Services, Division of Housing and Community Development, pursuant to Utah Code 10-9a-408(2)(a), and are included in this plan in the Appendix. The data and their sources are as follows:

U.S Census Bureau, American Community Survey:

- Population by tenure
- Supply of Housing Units by Structure Type
- Housing Occupancy
- Housing Vacancy
- Average household size
- Monthly Housing costs
- Median Household Income
- Davis Area County Median Household Income (AMI)

Utah Department of Workforce Services, Division of Housing and Community Development and U.S Census Bureau, American Community Survey:

- Housing Gap for the Current Biennium including difference between 2017 to 2024
- Population not living in Occupied Housing
- Annual Vacancy Rates
- Average Cost Burden Ratio
- Approximate Housing Cost Burden at HUD's
 - 80%
 - 50%
 - 30%

Strategic Affordable Housing Development Policies

Consistent with the language and intent of SB34 and HB 462 (from the 2022 Utah Legislative Session), Farmington City has analyzed its land use code and provides the following as strategic moderate-income housing development policies considered for continuation for adoption in order to encourage the private sector to respond to market demand for affordable housing.

Utah Code 10-9a-403 (2) (b) (iii) mandates that the General Plan include a recommendation for implementation of three or more strategies from a menu of strategies provided in the code.

Farmington City adopts the following strategies, some of which are already incorporated into the City's General Plan and land use code:

1. Rezone for densities necessary to facilitate the production of moderate income housing.

Farmington City has land zoned R-2, R-4 and R-8 all of which are Multiple Family Residential Zones. High density residential - condominium and apartment style units are permitted in the GMU (General Mixed Use) and TMU (Transit Mixed Use) zone. Medium density residential - single-family small lots and attached units or townhomes/condominiums limited to duplexes, triplexes, fourplexes, fiveplexes, or sixplexes are permitted in the RMU, GMU and TMU Zone subject to certain provisions. Multiple family residential is also allowed in the CMU (Commercial Mixed Use), NMU (Neighborhood Mixed Use) and BR (Business Residential) zones. These zoning designations provide ample density for affordable housing units to be built. Planned Unit Development (PUD) also allow, if approved, greater densities (or multiple family units) greater than the underlying zone. The Farmington Station Area Plan indicates high density residential development which is permitted in the established OMU (Office Mixed Use) zoning district which governs most of that area by means of a development agreement.

Very few areas in Farmington are undeveloped and much of the undeveloped areas have received zoning and some level of entitlement already. To pursue this strategy with the small area still to be rezoned from zones which effectively serve as holding districts (such as low density residential or agriculture zones), the city will work with developers as they seek for new zoning to enter into agreements to provide moderate income housing. By July of 2023, the city plans to work through a revamp of its moderate income housing ordinances to ensure its compliance with applicable statutes

but also to fine tune its effectiveness in encouraging moderate income housing. Reviewing the ordinances on an annual basis will ensure that when properties seek a rezone for development that appropriate mechanisms are in place to incentivize new development with densities sufficient to provide moderate income housing.

In addition to large sections of the city zoned to facilitate medium and high density housing, the city's ordinances are structured to allow additional density for projects which include units dedicated as moderate income housing units. Similarly, in areas such as the OMU zoning district which is an office/commercial zone, residential development may be permitted so long as it includes moderate income housing.

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

Farmington City continuously invests in its infrastructure including streets, water, storm drainage, electrical and telecommunications. The city will consider infrastructure improvements and city involvement to assist Moderate Income Housing Projects including on site improvements through engineering, public works and finance. Review of city public works projects which involve expanding or rehabilitating infrastructure and pursuing their design and construction is an ongoing process to which the city council approves projects on an annual basis during its budget cycle.

Of immediate significance, the city has begun construction on major road projects in the Farmington Station Area which will provide the main infrastructure needs for development including projects which include a moderate income housing element. This infrastructure is anticipated to be completed by the end of 2023.

In addition to the construction of infrastructure, the city will begin a planning process with the participation of UTA to study expansion of transit services within the community to be completed summer of 2023. Funding has been identified for this planning effort and a consultant which has been selected is anticipated to be under contract to begin work by January 2023.

3. Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

Farmington City has ordinances which allow for and govern the use of internal accessory dwelling units as a permitted use and detached accessory dwelling units as a conditional use in many zoning districts.

The city will look annually at the number of conditional use permits issued for detached accessory dwellings and consider the process for approval of each to determine if there are steps or regulations that could be reduced to make construction of these units easier.

4. Amend land use regulations to allow for higher density or new moderate income residential development in commercial and mixed-use zones near major transit investment corridors.

Farmington City's commercial and mixed use zone allows for higher density or moderate income residential development and much of its commercial and employment centers are already zoned for such uses the city will continue to consider rezone applications that bring diversity to the mixed-use areas in Farmington City including projects that are coordinated with the General Plan. These areas are located near the Frontrunner Station and the interchanges on I-15 and Highway 89.

Having worked through multiple recent projects, the city has learned that the very legislation requiring cities to produce moderate income housing doesn't allow cities to require it of developers in order to develop within the allowances of existing zoning. This has created challenges as to the ordinances established by the city in 2021. By July of 2023 the city plans to update its moderate income housing ordinances to more clearly structure incentives for residential density based on the inclusion of moderate income housing units.

Farmington City will be monitoring the potential of development at the Farmington FrontRunner Station park and ride lot. The city has been collaborating with UTA on the potential development of this site to create a large number of moderate income housing units. The existing zoning should allow for such a project, but the city will be prepared to consider amendment to land use regulations to allow for this as necessary. Such amendments may be viable by updates to ordinances or may be considered through a development agreement.

5. 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.

Farmington's General Plan, Zoning Map and Transportation Plan encourage development around major transit corridors as well as commercial and employment centers being primarily the mixed-use zoning districts near the Park Lane interchange at I-15.

Few locations remain that aren't already zoned to permit moderate income housing development in commercial or mixed-use zones near major transit investment corridors, commercial centers, or employment centers. Since the latest update of this plan in September of 2022, the city has rezoned some 14 acres of property which will include approximately 400 residential units where 10% of those will be dedicated to moderate income housing.

Opportunities to include housing in more established traditional commercial areas are limited but will be considered on a case by case basis. The city will look at the effectiveness of its zoning on an annual basis with the reporting for Moderate Income Housing to evaluate effectiveness of existing zoning or the need for rezone near major transit investment corridors.

6. Amend land use regulations to eliminate or reduce parking requirements for residential development 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.

Farmington City's land use regulations support reductions in parking when parking demand is less than otherwise required, and its codes allow for shared parking. Moreover, development within certain distances of a fixed transit stop may incorporate parking reductions as part of their projects, and all developments within mixed-use zones may count on street parking to meet off street requirements.

The city is regularly looking at parking requirements as it reviews new development. Potential for additional reductions or elimination of parking requirements will be reviewed by the end of 2025 together with updates to the city's transportation master plan which is something the city anticipates starting to update in 2023 or 2024.

7. Preserve existing moderate income housing.

The City shall encourage preservation of existing housing in Farmington's older neighborhoods. Preservation of this housing will maintain the historic character and key pieces of the city's identity as well as moderate income housing.

8. Demonstrate utilization of a moderate income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing.

Consider affordable housing as public land is developed. Track Tax Increment Funds for projects with a moderate-income housing element, including private and public investment thereto.

A specific LIHTC project had been proposed by a developer that the city had recently hoped to support by providing RDA funds. This project was not selected for LIHTC funding after 2 rounds of consideration so the developer has moved on to a market rate project. The city is regularly watching for opportunity to participate with developments to maximize the impact of RDA funding set aside for moderate income housing. Potential ideas for this funding discussed by the city council include construction of housing that would be owned by the city dedicated for moderate income housing, providing financial incentives to developers to help create moderate income units within their projects, and participation on the redevelopment of the UTA FrontRunner parking lot for a large number of moderate income housing units. Review of fund balances in the RDA for this purpose will be completed at least annually with the budget process and use of the funding is still to be determined based on opportunities presented.

9. Develop and adopt a station area plan in accordance with Section 10-9a-403.1.

Farmington City has adopted the Farmington Station Area Plan to meet the requirements of Section 10-9a-403.1. This plan was the first to be reviewed and receive certification by the Wasatch Front Regional Council.

The Farmington Station Area Plan coordinates the growth of over 500 acres of property within the city. This plan sets the stage for the redevelopment of the Farmington Frontrunner site where the city and UTA hope to see residential development which would include a substantial amount of moderate income housing.

Farmington City has begun working with UDOT on a deed restriction on this property that prohibits any uses besides parking for the FrontRunner station. Additional work is being done by city lobbyist to work with the legislature to ensure that there are no statutory hurdles to the potential development of this parking lot. Resolution on this outside of the city's control, but the goal is to have this resolved before the end of 2023.

Next steps for this include supporting UTA in their station area planning process to enable the development of the site. UTA can only develop sites that are within a station area plan that they must acknowledge. Farmington City will participate in UTA board meetings to have their process completed by Summer of 2023.

The plan also envisions approximately 4,000 new residential units anticipated to be built over the next 20 years. Under the city's ordinances, 10% of this housing would be dedicated as moderate income housing. Projections anticipate nearly 1,500 of these new residential units to come online in the next 5 years.

Appendix:

1. Demographics
2. Davis County Housing Authority Statement
3. Fair Housing
4. Housing Data Tables

1. Demographics

Demographic characteristics greatly influence housing demands within a city. Population growth, age, income, and other characteristics determine desired housing and how many units available. This section evaluates these factors in Farmington in order to inform the analysis of the demand for units and the type of those housing units.

Farmington has seen rapid growth from the 2000 census that showed a population count of 12,162 to 18,275 in 2010. The most recent numbers from the 2020 census indicate a population of 24,531. Davis County, at about 362,000, appears to be approaching buildout. Per Wasatch Front Regional Council, "According to Davis County studies, the buildout population is forecast at more than 400,000. Davis County has the smallest land area of any county in the state and will be the first in the state to have to deal with countywide buildout." Due to this geographic factor, WRFC estimates Farmington City's 2040 Population to be 31,279.

WRFC data indicates the following population projections:

City Area: Farmington

2020 Population:	23,649
2025 Population:	25,137
2030 Population:	26,821
2035 Population:	29,102
2040 Population:	31,279
2045 Population:	33,252
2050 Population:	34,794

Race and Ethnicity

According to the 2020 US Census, 7.7% of the City's' population were non-white residents indicating a low level of change in diversity.

Race	Percentage
White Alone	92.3%
Black or African American	1.1%
American Indian and Alaskan Native	0.3%
Asian	1.9%
Native Hawaiian and Other Pacific Islander	.01%
Two or More Races	3.6%
Persons of Hispanic Origin	5.7%
White alone, not Hispanic or Latino	88.6%

Age and Household Size

Farmington has a median age of 30 years' old, which is similar to Davis County and adjacent Salt Lake County. However according to studies the average household age of a new father is 30.9 and mothers 30.3 indicating that family's formation is starting at a later age. The average household size is 3.40. Approximately 51.8% have children at home.

Special Needs Population

It is important for Farmington City to address affordable housing for those with special needs. People with special needs may include vulnerable populations such as senior citizens, the homeless, or those otherwise in need of specialized or supportive housing.

Homeless

On January 24, 2018, each of Utah's Continua of Care carried out the HUD-mandated Point-in Time Count (PIT). The PIT is a massive effort to count everyone who meets the HUD definition of literal homelessness in a community on a specific night. As a result, the PIT captures people who spent the night in an emergency shelter, transitional housing, or in a place not meant for human habitation. While many factors, from the weather to the way the count is organized and performed, influence the results of any given PIT count, the PIT is a useful tool.

Per the State of Utah Annual Report on Homelessness 2018 Point in Time Summary, 68 individuals were homeless in Davis County in which less than 10 individuals were unsheltered. The 2018 Housing Inventory shows that Davis County holds 166 beds, 54 Rapid Re-Housing, 44 Permanent Supportive Housing, 36 Transitional Housing and 32 at an Emergency Shelter. These providers include Davis Community Housing Authority, Open Doors and Safe Harbor. Overall, current programs can address Farmington homelessness.

Veterans

According to the 2013-2017 American Community Survey, approximately 4% of Farmington's population is a veteran or 920 people. 85% of veterans were male and 15% female. 53% of Farmington's veteran population, or 484 veterans were age 65 and older. The unemployment rate for working age veterans is 2.7% therefore, of 436 working age veterans approximately 11 are unemployed. As of Mar 16, 2019, the average annual pay for a Veteran in Utah is \$45,688 a year, or \$3,807 monthly.

Seniors/Elderly

In 2020, there were 2,355 people 65 and over living in Farmington City, which constituted 9.6% of the total population. Many of the elderly that own their homes are living on fixed incomes, their housing affordability is often affected by property values, maintenance, and utility costs. For seniors who do not own their homes, obtaining affordable housing can be even more difficult. Many elderly citizens can no longer remain in their own homes for a variety of reasons. As these citizens move out of their homes, demand for senior rental housing opportunities will increase. Several projects in Farmington City address this issue including Rose Cove Apartments, Park Lane Village Apartments, Legacy House of Park Lane and the Brookside Senior Living Facility. These types of housing are critical. Further, there should be available housing options available for seniors to remain in Farmington City near family and friends. This in turn increases senior's quality of life.

Disabled

People with disabilities comprise about 6.4% of Farmington City's total population or 1,410 individuals. An estimated 26% of the persons 65 and older reported a disability in Farmington. Based on 2019 Census estimates, 19% of Americans reported some form a disability. Being part of a community and living as independently as possible are among the most important values and goals shared by people with disabilities, their families, and advocates. A home of one's own – either rented or owned – is the cornerstone of independence for people with disabilities. However, across the U.S. people with disabilities, including people with intellectual and developmental disabilities (I/DD), face a severe housing crisis. Issues include affordability, accessibility, aging caregivers, housing discrimination and availability.

The 2013-2017 ACS estimate the median income of \$38,750 per year for an individual with a disability in Farmington, which is only 51% of Davis County's Median Household Income and only 40% of Farmington's median household income. At this rate, people with disabilities earned a gross income of \$3,229 per month or 18.63 an hour. The median gross rent in the city is \$1,048 per month, according the 2017 ACS estimates. This means a single income householder with a disability would be slightly cost burdened because they would have to pay 2% more than the 30% standard set by the U.S Department of Housing and Urban Development. Housing affordability is a concern for people with disabilities as other costs can be higher including healthcare and other services to meet their needs.

More concerning, is the current rental vacancy available from ACS which indicates the rental vacancy rate in Farmington at 0% vacancy down from 2% last year. Therefore, although housing affordability is a concern, availability is a larger concern for Farmington City. There is a significant portion of seniors and people with disabilities with a need for housing specifically designated for this segment of the population. As the city grows, the need for specialized housing will likely follow and the city should assure that there are minimal regulatory barriers to constructing this type of housing in order to meet this need.

Income

Farmington has a very high median income of \$97,168 compared to Davis County's median income of \$75,961. According to the Utah State Tax Commission, approximately 59% of households in Farmington reported an income over \$100,000 a year. 27% or 1,734 households reported incomes between 30,000 to 75,000 and 15% or 933 households reported making under 30,000 a year.

Housing Affordability (Housing Needs Analysis)

The affordability of the housing stock is determined based upon the Area Median Income AMI and the amount that a household at each income level can afford. According the current State and Federal definitions, housing is affordable when a household spends no more than 30% of their annual income on housing expenses, including mortgage or rent and utilities. Those that spend more than 30% of the monthly income on housing expenses are considered "cost-burdened" and are referred to as such throughout the document. The tables attached in the appendix summarize the costs for various income levels in Farmington City.

Housing Demand

In 2020, Farmington had an estimated total population of 24,531 residents according to the U.S Census Bureau. That number represents a net increase of 6,256 residents between 2010 and 2020. Based on those estimates, the city's housing supply grew 34.2% or approximately 3.5% per year adding an average of approximately 248 units a year to the city. This was confirmed by data from IWORQS, Farmington City's internal building permit software estimated higher about 349 units a year. According to the annual growth rate projection of 272 units a year, Farmington is currently building at the rate of projected growth.

Build Out Projections

Farmington has 10 square miles of land within city limits. Farmington is also sandwiched between the Wasatch Mountains to the east and the Great Salt Lake to the west. This leaves much of our land in the foothills or wetlands, including the addition of the West Davis Corridor. Therefore, there are certainly some geographical limitations to our growth. Many years into the future, development will be redevelopment of infill properties and furthering subdivisions into smaller properties. As we reach buildout, the state of maximum development as permitted by a plan or regulations.

Housing Supply/Housing Stock

According the 2017 ACS Survey, Farmington is growing at approximately 272 housing units a year with a housing stock of approximately 6,689 housing units with a 96 percent occupancy rate. According to observations that are more recent there is little or no vacancy currently in Farmington. Interesting, however is the diverse housing rentals. Of the 1,259 renter, occupied structures only 30% are single-family homes leading city staff to believe there is an interest in diverse housing types in the city. The real estate industry refers to single-family homes that sit on their own lot without sharing any walls with another home or building as detached residences. Attached housing, on the other hand, share walls on both sides with another home. The city may also increase the rental opportunities by diversifying housing types.

Location Affordability

Transportation Costs are the second largest budget item and the location of a house has a direct impact on these costs. For example, living close to work and other common destinations can significantly lower the amount of mileage a household drives and reduces the need for additional vehicles.

The Location Affordability Index developed by HUD and the Department of Transportation estimates the housing and transportation costs for communities across the US. Housing and transportation costs consume about half of the average household budget, but it can be difficult for people to factor transportation costs into decisions regarding where to live and work. According to this measure, the average household in Davis County spends about 24 percent of its median income a year on transportation, which is \$23,320, a year or \$1,943 a month. For a family with two vehicles, this would mean each vehicle is costing about \$971 a month.

2. Davis County Housing Authority Statement

"For over three years, Davis Community Housing Authority (DCHA) has actively searched for land in Farmington on which to build affordable housing, due to an extreme shortage of affordable housing in Farmington and other municipalities in Davis County. They are only aware of one housing program that meets the definition of "affordable" within the HUD Fair Market Rents for Davis County - DCHA's Credit to Own housing (5 townhomes) at Farmington Crossing. To our knowledge, Rose Cove Apartments, located at 847

Shepard Lane, is the only designated housing for elderly and/or disabled persons, however, that property is becoming increasingly unaffordable due to continual rent increases by the owner. It seems as though the housing developments in Farmington are either high-end subdivisions and/or apartment complexes. None of which usually satisfy the affordable housing requirements of a Consolidated Plan. DCHA is interested in working with Farmington City to locate and develop housing that meets the HUD Fair Market Rents and targets affordable housing for special groups.

Davis Community Housing Authority allocated 1036 vouchers by the Department of Housing and Urban Development (HUD). We are required to operate on an Annual Contributions Contract budgeted for the amount of money HUD will allow us to spent in a one-year period. Due to rising rental costs and our allocated budget, we are only able to assist 900 - 920 families.

- Sixty (60) of our total eight hundred ninety (890) current voucher holders reside in Farmington:*
- Two (2) households reside in DCHA's owned units at Farmington Crossing townhomes,*
- Two (2) households reside in older homes being rented privately and,*
- Fifty-Six (56) households reside at Rose Cove Apartments. Rose Cove is raising rents at an alarming rate. There have been an increase of clients residing at Rose Cove requesting to move to another area."*

3. Fair Housing

In accordance with state and federal laws, Farmington City exercises the authority to plan, zone, and regulate land-use in promoting the community's health, safety, and welfare. The moderate-income housing element of this plan acknowledges and upholds the Utah Fair Housing Act by promoting the equal protection and equitable treatment of all people who lawfully seek to rent, lease, purchase, or develop real property within its jurisdiction. Its housing policies and plans strictly prohibit discrimination on the basis of color, disability, ethnicity, familial status, gender identity, national origin, race, religion, sex, sexual orientation, source of income, or any other suspect classification. It is the policy of [City/County] to report housing discrimination to the Utah Antidiscrimination Labor Division immediately. It is the goal of Farmington City is to prevent, eliminate, and/or mitigate any unfair housing practices that may result from its plans, policies, regulations, and ordinances. It is also the goal Farmington City to affirmatively further fair and affordable housing by reviewing the housing needs of its moderate-income households and its vulnerable populations biennially, and by proactively planning to meet their needs.