



# WELLSVILLE AFFORDABLE HOUSING PLAN

2014

WELLSVILLE CITY  
RESOLUTION

RESOLUTION NUMBER \_\_\_\_\_ ADOPTED \_\_\_\_\_

A RESOLUTION ADOPTING THE  
WELLSVILLE AFFORDABLE HOUSING PLAN

WHEREAS, on \_\_\_\_\_, \_\_\_\_, 2006 the City Council of the City of Wellsville, Cache County, State of Utah adopted an ordinance which was the Wellsville Affordable Housing Plan.

WHEREAS, the 2010 United States Census was conducted and new housing and demographic data was made available to the public.

WHEREAS, in the year of 2013 the City Council determined that new Census data should be used to evaluate the population and housing conditions information of the City of Wellsville.

WHEREAS, the City Council determined that this Census data should be used to reevaluate the 2006 plan.

WHEREAS, because of the comprehensive nature of the 2010 Census, the City Council found it necessary to prepare an entirely new Affordable Housing Plan that would replace the 2006 Affordable Housing Plan.

WHEREAS, the City Council request the Planning Commission to review and forward its recommendations to revise, deny, or adopt the 2014 Affordable Housing Plan.

WHEREAS, the Affordable Housing Plan 2014 has be reviewed and revised by the Planning Commission and is recommended to the City Council for adoption.

WHEREAS, the City Council has reviewed and revised the 2014 Affordable Housing Plan and adopts the Plan by Resolution .

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Wellsville, Cache County, State of Utah, that the attached Affordable Housing Plan 2014 is now the official Affordable Housing Plan of the City of Wellsville.

Wellsville City

\_\_\_\_\_  
Thomas G. Bailey  
Mayor

ATTEST:

\_\_\_\_\_  
Don Hartle  
City Manager/Recorder

**Voting Status:**  
GaryBates \_\_\_\_\_  
Carl Leatham \_\_\_\_\_  
Glenna Petersen \_\_\_\_\_  
Parry N. Maughan \_\_\_\_\_  
Karen Higley \_\_\_\_\_

I, Don Hartle, City Recorder of Wellsville, Cache County, State of Utah certify that I, on the \_\_\_\_ day of \_\_\_\_\_, 2014 in the City of Wellsville, Cache County, State of Utah, posted the foregoing Resolution \_\_\_\_\_, in a likely manner, a copy of which is hereto attached, in each of three of the most public places in the said City of Wellsville, to wit:

- 1, City Office
- 2. City Bulletin
- 3. Tom's Service

\_\_\_\_\_  
Don Hartle  
City Recorder

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## Summary of Affordable Housing Conditions

### Housing Stock

As of the 2010 U.S. Census, there were 1048 housing units in Wellsville. Of those units, 1012 (96.6 percent) are occupied and 36 (3.4 percent) are vacant. Owner-occupied units make up the majority (87.5 percent) of the city's housing stock, while renter-occupied units account for 12.5 percent of the city's housing stock.

Wellsville's housing stock consists of 997 (96.7 percent) single-unit detached homes, 0 (0 percent) single-unit attached homes, 23 (2.2 percent) two- to four-unit structures, 6 (0.6 percent) five- to nineteen-unit structures, 0 (0 percent) structures with twenty or more units, and 5 (0.5 percent) other structure types, such as RVs and mobile homes. Given that 96.7 percent of the city's housing stock is composed of single-unit detached homes, Wellsville may want to consider whether a more diversified housing stock would benefit current and future residents.

An assessment of structure age can, in some cases, reveal whether there is a need for housing rehabilitation. In Wellsville, 16.6 percent of residential structures were built in 1949 or earlier, 26.2 percent were built between 1950 and 1979, 25.3 percent were built between 1980 and 1999, and 31.9 percent were built in the year 2000 or later. With 42.8 percent of the city's housing stock constructed before 1979, the city may want to determine its role in rehabilitation efforts and consider performing a windshield survey to further evaluate housing conditions.

### Household Income and Needs

The median household income in Wellsville is \$52,052, which is \$3,648 below the area median income (AMI) for Cache County (\$55,700). Given these figures, 5.5 percent of the households in Wellsville earn less than or equal to 30 percent of AMI, 4.5 percent earn between 30 and 50 percent of AMI, 18.9 percent earn between 51 and 80 percent of AMI, 12.9 percent earn between 81 and 100 percent of AMI, and 58.3 percent earn more than 100 percent of AMI. Households that earn a moderate income (80 percent of AMI) or less make up 28.8 percent of Wellsville's population.

Housing is considered affordable when households—regardless of their income—spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly income. Based on this definition, 90.8 percent of Wellsville's renter households that earn a

moderate income or less and 29.3 percent of the city's owner households that earn a moderate income or less are cost burdened, which indicates that Wellsville's residents would benefit from additional affordable rental and ownership options.

### **Population Change and Affordable Housing Demand**

The population of Wellsville is expected to increase from 3,432 in 2010 to 4,160 by 2020 and 5,036 by 2030. These additional residents amount to an additional 179 households by 2020. Of those 179 units, 12 will need to be affordable to extremely low-income ( $\leq 30\%$  AMI) households, 8 will should be affordable to low-income ( $>30\%$  to  $\leq 50\%$  AMI) households, and 33 will need to be affordable to moderate-income ( $>50\%$  to  $\leq 80\%$  AMI) households.

By 2030, Wellsville will need an additional 431 housing units. Of those 431 units, 26 will need to be affordable to extremely low-income ( $\leq 30\%$  AMI) households, 19 will should be affordable to low-income ( $>30\%$  to  $\leq 50\%$  AMI) households, and 81 will should be affordable to moderate-income ( $>50\%$  to  $\leq 80\%$  AMI) households.

### **Special Needs Groups**

Data from the 2011 American Community Survey indicates that 8.5 percent of all Americans under the age of 65 and 36.6 percent of all Americans 65 and older have some form of disability. Assuming that the percentage of Wellsville residents with disabilities is comparable to national figures, approximately 263 Wellsville residents under the age of 65 and 119 Wellsville residents 65 and older suffer from a disability. Individuals with disabilities may require special housing accommodations.

About 9.4 percent of Wellsville's population was 65 and older as of the 2010 U.S. Census. The share of the city's population that is 65 and older is expected to enlarge over time. Some elderly individuals may not be able to remain in their homes or may choose to relocate to a unit that better suits their preferences and needs. The Mayor and City Council of Wellsville may wish to evaluate the housing options available to seniors wishing to remain in or relocate in Wellsville.

According to the 2013 annualized point-in-time count, roughly 0.55 percent of Utah's population is homeless. Although regional differences may impact the rate of homelessness, this percentage can be used to estimate the number of homeless individuals in Wellsville. Based on this estimate as many as 19 persons could be without housing in Wellsville. However, observations and local knowledge do not substantiate this estimate. If more accurate information becomes available and indicates that residents of Wellsville are homeless, Wellsville should consider developing or promoting programs designed to help these individuals become housed in more stable conditions.

The following goals are recommended for consideration to the Mayor, City Council, and Planning Commission to maintain adequate affordable housing choice for all those who wish to reside or remain to reside in Wellsville:

- **Home Ownership**  
Increase opportunities to purchase affordable housing by very low and extremely low

income earning households by promoting use of available Federal, State, and local housing programs, by providing some economic incentives to developers, by considering requiring an affordable housing component to each project, and by modifying zoning and land use regulations.

- **Rental Housing**

Increase affordable rental opportunities to moderate income earning households by encouraging subsidized rental housing projects, by considering requiring an affordable housing component to each project and by expanding locations for multiple family projects.

- **Housing Rehabilitation**

Rehabilitate existing housing to increase rental properties, homeownership, and reinvestment in Wellsville by promoting federal and state funded home rehabilitation and weatherization programs.

## Wellsville Affordable Housing Plan 2014

The intent of this affordable housing plan is to assist the Mayor, the City Council and the Planning Commission as they make decisions about growth and policies that affect those citizens of the community who are in need of affordable housing. The plan intended to give guidance to the City of Wellsville in its role to assist affordability of housing for all income levels. This plan provides recommendations that can help Wellsville provide a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of the present and future citizens of Wellsville.

The population of Wellsville is expected to increase over the next 10 years. Nearly one third of all current Wellsville households are earning a moderate income or less and the demand for affordable home ownership and rental opportunities will likely increase.

Presently, there is housing in Wellsville that should be sufficient to satisfy many of the demands for moderate income housing, but more than 40% of the existing housing stock in the city is more than 30 years old. In order to maintain a healthy housing stock capable of providing safe, decent, and affordable living conditions for residents, active maintenance and improvements to the housing stock is necessary.

The Utah Affordable Housing Forecasting Tool, provided by the Utah State Division of Housing and Community Development indicates that moderate income households, those at 80% of Area Median Income (AMI), in Wellsville have sufficient affordable rental and homeownership opportunities. A surplus of affordable housing exists for families with a household income of 80% of the median income of the City. It is expected that this trend will continue on a proportional basis as population increases. The supply of affordable housing for this income level demonstrates that the current zoning, land use, and regulations are not inhibitive to affordable housing opportunities. However, for the high percentage of individuals in the community with very low incomes (50% of AMI), there are not sufficient opportunities to purchase or rent affordable homes. Those households would benefit by more ownership and rental opportunities. In the previous 17 year period, no new rental housing has been constructed in Wellsville. While multiple family dwellings have been allowed over this time period, developers have not chosen to develop rental housing. The lack of rental housing opportunities demonstrates that current zoning and land use regulations could be modified to accommodate this need. According to the American Community Survey, 95.5 percent of the city's housing stock is composed of single-unit detached homes. Given that there is a lack of choices in housing types, Wellsville may want to consider whether a more diversified housing stock would benefit current and future residents.

## Introduction

In 1996 the Utah Legislature passed House Bill 295 requiring cities and counties to include an affordable housing element as part of the general plan. The General Plan of the City of Wellsville promotes affordable housing. This affordable housing plan is intended to be used to support and expand on the goals and guidelines established in the General Plan.

The affordable housing plan has been written to assist the decision-makers of the City of Wellsville in its role to provide a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of the population desiring to live in Wellsville. Housing is considered affordable when moderate income households spend no more than 30% of their gross monthly income on housing expenses. Moderate income housing should be encouraged to allow persons with moderate incomes to fully participate in, and benefit from all aspects of neighborhood and community life.

## Public Outreach

The preparation of this Plan was assisted by an Affordable Housing Committee appointed by the Mayor Bailey. The committee was composed of a variety of community and development interests with varying perspectives including, business, banking, development, and community wide interests. Staff and the committee met together to discuss affordable housing conditions and to debate the benefits of a variety of affordable housing initiatives. Their input is summarized below:

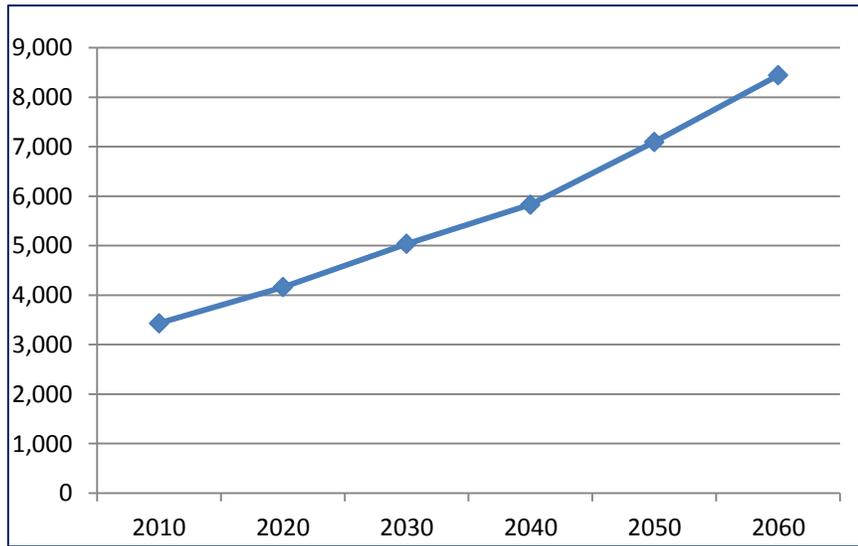
- The City's primary employment base does not provide significant opportunities for housing choice. Low wages and the fact that Wellsville is a bedroom community to the larger employment base of Cache Valley make housing choice even more challenging.
- It is increasingly more difficult to qualify for a mortgage loan. Therefore, homeownership is still unattainable for some individuals.
- The economic downturn caused some to lose their homes and some faced foreclosure. They are having difficulty re-entering the housing market.
- Although there are some affordable rentals available, average rental rates remain too high for many individuals in the community.
- Many individuals applying for affordable housing do not earn enough to qualify for home ownership or rentals.
- The City should partner with other agencies and developers to promote affordable housing. Strategies might include: revising zoning ordinances and fees, and working with non-profit agencies and for-profit groups to develop affordable housing projects.

## Demographics

### Population and Growth

Since 2000 Wellsville has seen the population increase by 704 people to bring the total population to 3,432 in 2010. The annual growth rate averaged 2.6% from 2000 to 2010, but is expected to decrease to an annual average of 2.1% for the period 2010 to 2020. If the projected growth rate is realized, Wellsville will gain 728 new residents by 2020. The graph below shows the population projection until 2060.

Wellsville Population Projections



Source: Governor's Office of Planning and Budget, 2012 Baseline Population Projections

### Analysis of Population and Growth

The projected population increase of 728 new residents in 2020 is significant because 215 new households will need a place to live in Wellsville. The estimate of households is based on current household size of 3.39 persons per household.

There are an estimated 36 vacant dwelling units in Wellsville according to the 2010 US Census. Although it is likely that many of the future residents will fill some of the vacant units, the vacant housing stock will not be sufficient to accommodate all of the estimated households over the next 10 years. In addition, the existing housing stock will have to be maintained and in some cases, rehabilitated, in order for the units to be safe, decent places to live.

Households that earn a moderate income or less make up almost 29% of the population. Using this portion as a baseline, of the 214 new households that are filled in Wellsville over the next 10 years, 55 will need affordable housing options. This assumes that all 36 vacant units will be occupied by new residents. This equates to at least 5 affordable housing units needed each year.

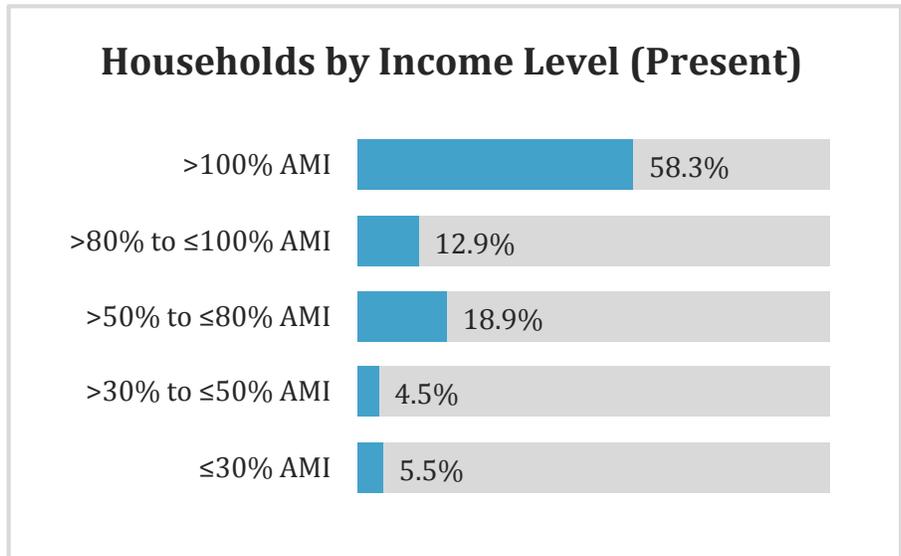
By 2030, Wellsville will need an additional 431 housing units. Of those 431 units, 26 will need to be affordable to extremely low-income ( $\leq 30\%$  AMI) households, 21 will need to be affordable to low-income ( $>30\%$  to  $\leq 50\%$  AMI) households, and 80 will need to be affordable to moderate-income ( $>50\%$  to  $\leq 80\%$  AMI) households.

According to the State’s Affordable Housing Tool, Wellsville currently has a surplus of affordable housing units for households earning a moderate income that want to purchase a home. However, it is important to provide adequate opportunities for low to moderate income households to rent as well. According to current estimates, each year 1 of the future households will need an affordable rental and the other 4 will likely purchase their home.

## Income

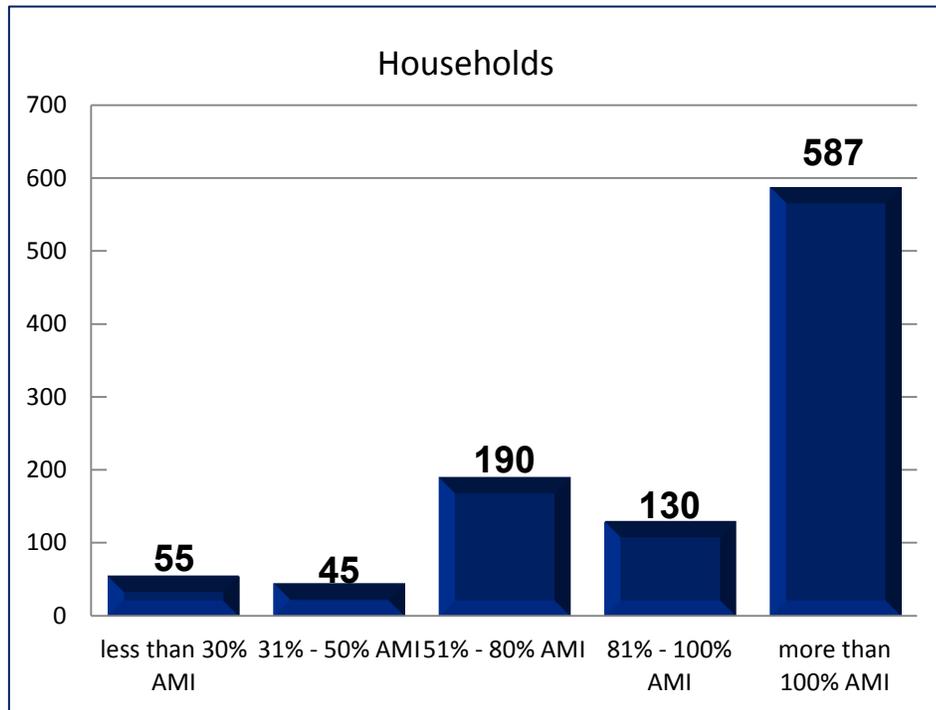
Understanding the income of Wellsville’s residents is important to understanding the affordable housing need for the city. Household income is used to determine housing affordability. The standards used to identify if housing is affordable is provided below. Following, the cost for housing in the city will be analyzed by using existing home values, homes for sale, and market rental rates. Finally, housing costs will be compared with household income levels to determine whether or not Wellsville’s housing is affordable to moderate income households.

Because the cost of living is relative to the area in which the residents live and to household size, the U.S. Department of Housing and Urban Development (HUD) has created a measure called the Area Median Income (AMI). The AMI is the standard to determine housing affordability. The chart below converts household income levels into AMI, and illustrates the number of Wellsville households whose total income falls within each income bracket.



Source: Utah Affordable Housing Tool

### Number of Households by Percent of AMI



Source: Utah Affordable Housing Tool

### *Analysis of Income*

Based on the 2010 U.S.Census, 290 (29%) households in Wellsville earn a moderate income or less. A moderate income in Wellsville is 80% of the area median income, or \$41,641 annually. Fifty-Five (55) households (5.5%) in Wellsville earn just 30% or less than the area median income, or \$15,616 annually. The households that earn just 30% of the area median income find it very difficult to live within the affordable housing guidelines since they cannot afford average market rental rates nor qualify for mortgage to purchase a home. These households and families would greatly benefit by housing that they can afford.

## Housing Stock

### *Housing Occupancy and Vacancy*

According to the 2010 U.S.Census there are 1,048 housing units in Wellsville. One thousand and twelve (1,012) of the units (97%) were occupied while 36 (3%) were vacant. Of the 1,012 occupied housing units, 886 (88%) were owner occupied, and 126 (12%) of the units were rented.

### **Single-Family Housing**

The 2007-2011 American Community Survey estimates that Wellsville has 1,011 single-family detached units and 7 housing units that are mobile home/manufactured units. An additional 85 single family housing units are estimated to be rented.

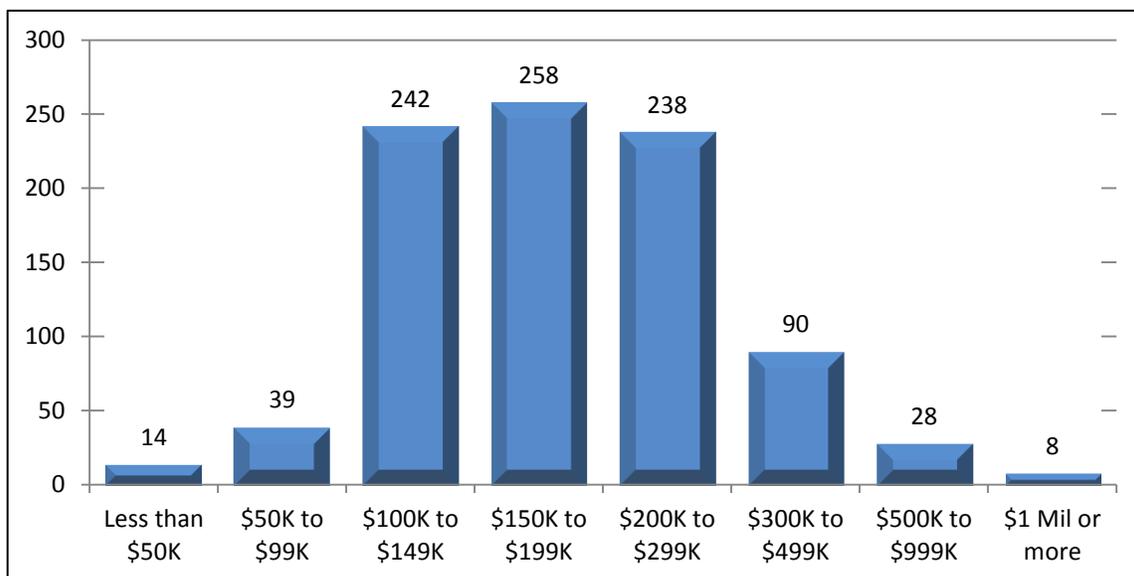
### **Multi-family Housing**

The 2007-2011 American Community Survey estimates that Wellsville has 41 households that live in attached or multi-family housing structures. There were no rental units found within the City which offer affordable housing through rental assistance programs or subsidies.

### **Value of Existing Housing Stock**

The current market value of the housing stock is used to determine affordability of home ownership. The chart below shows the current market values of existing homes in Wellsville according to the Cache County Assessor and the American Community Survey.

**Market Value of Existing Single-Family Properties**



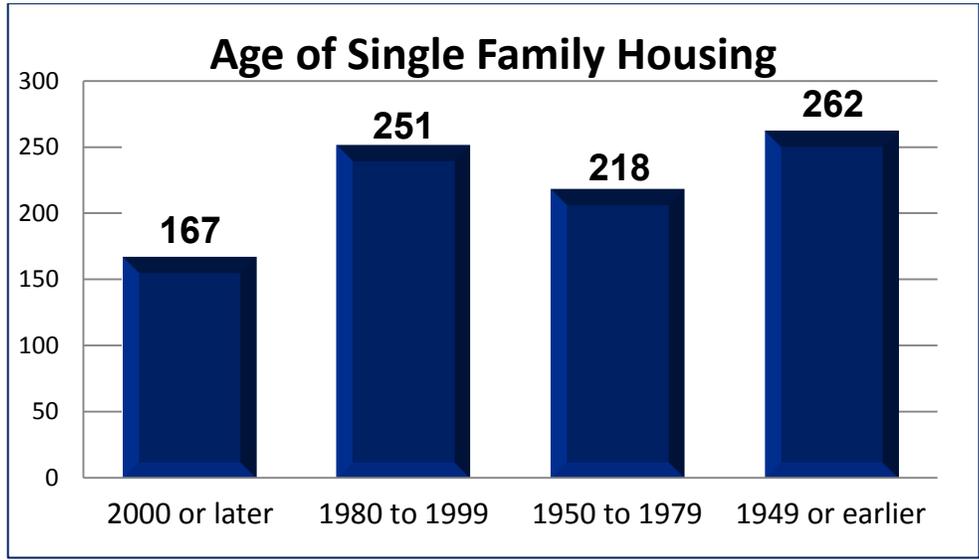
Source: American Community Survey

### **Wellsville Real Estate**

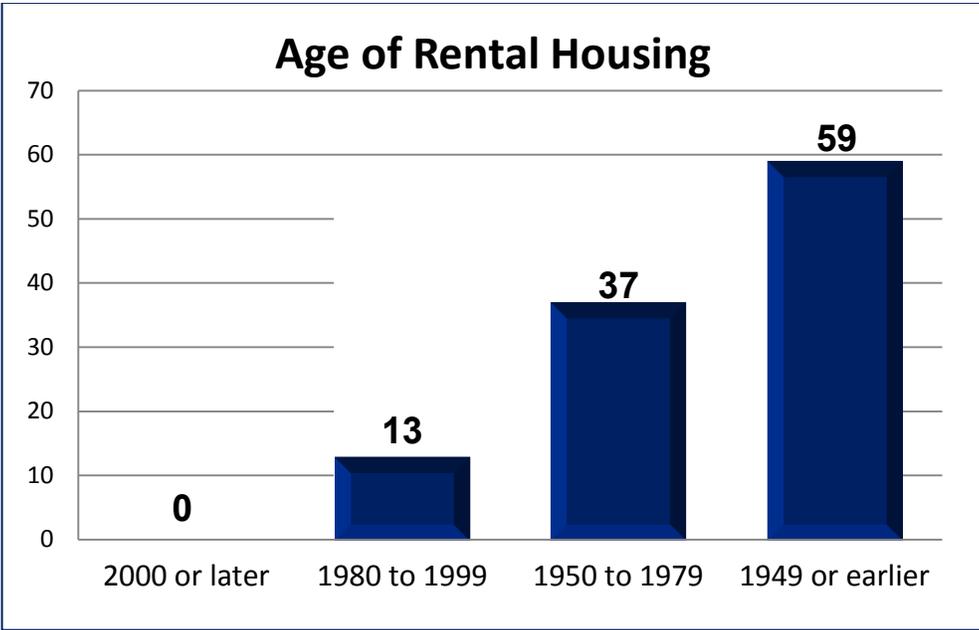
Property research conducted on [www.realtor.com](http://www.realtor.com) indicates that there were 19 total residential properties for sale in Wellsville as of October 29, 2013. The median asking price was \$199,750. All of the housing listed was single family detached. Five (5) of the homes (26%) for sale are listed below \$140,027, which is an affordable home to moderate income households. None of the homes listed for sale are affordable for very low income households or extremely low income households.

**Age of Housing Stock**

The majority of housing in Wellsville (57%) is more than 30 years old. More than 30 % of the homes are older than 60 years old. Rehabilitation efforts are likely necessary to maintain the current housing stock. More than 88% of the rental housing stock is older than 30 years. The following charts show the age of existing housing stock for single family and rental housing.



Source: 2010 U.S. Census



Source: 2010 U.S. Census

**Condition of Housing Stock**

Homes older than 30 years generally require more rehabilitation than newer homes. It is likely that some of the housing stock of Wellsville is severely deteriorated and some homes are

dilapidated from age and lack of maintenance. Severely deteriorated homes are those that are beyond acceptable limits, and need several major repairs; while dilapidated homes are uninhabitable, and need to be completely replaced.

In order to maintain an affordable housing stock the deteriorating units should be identified and rehabilitated before they become severely deteriorated or dilapidated, and home replacement becomes necessary. Rehabilitating deteriorating housing is best done earlier than later. On-going maintenance is a cost effective measure to preventing dilapidation and thus increasing the affordability of older homes and rentals.

## **Housing Affordability**

The Utah Affordable Housing Forecasting Tool was used to determine moderate income housing needs for Wellsville. This tool has been developed by the State of Utah Housing and Community Development Division (HCD) to assist local governments in their planning efforts by helping them quantify and understand the housing needs of their communities. This tool is designed to give communities a framework of data and forecasts around which to develop quality moderate-income housing plans. The software is designed to help evaluate housing affordability and to identify gaps in affordable housing. This system helps to identify where communities can focus their efforts to provide housing for those in need.

The Utah Affordable Housing Forecasting Tool operates with many data inputs including: income, mortgage, housing costs, and rent rates and more to forecast affordable housing needs. Based on the information provided, the housing estimating model illustrates potential gaps in affordable housing. The software enumerates housing stock, household income and needs, population change and affordable housing demand, and special needs groups.

According to current State and Federal definitions, housing is considered affordable when a household spends no more than 30% of their annual income on housing expenses, including mortgage or rent and utilities. In Wellsville the area median income (AMI) is \$52,052 annually or \$4,641 monthly. Mortgage or rent and utilities should not exceed \$1,253 per month for a household earning a median income in Wellsville.

The same affordability standards apply to households that earn less than the area median income. For example, a moderate income household in Wellsville earning 80% of the area median income, brings in \$41,641 annually or \$3,470 monthly. Mortgage or rent and utilities should not exceed \$1,003 per month for a moderate income household. The table below summarizes the maximum monthly affordable housing costs for several income levels in Wellsville.

### Maximum Housing Allocation (30% of Gross Income)

<i>Income Level</i>	<i>Yearly Gross Income</i>	<i>Monthly Mortgage or Rent with Utilities</i>	<i>Maximum Home Purchase</i>
30% of AMI (extremely low)	\$15,616	\$376	\$27,908
50% of AMI (very low)	\$26,026	\$627	\$72,756
80% of AMI (moderate)	\$41,641	\$1,003	\$140,027
100% of AMI (median)	\$52,052	\$1,253	\$184,875

Source: Utah Affordable Housing Forecasting Tool

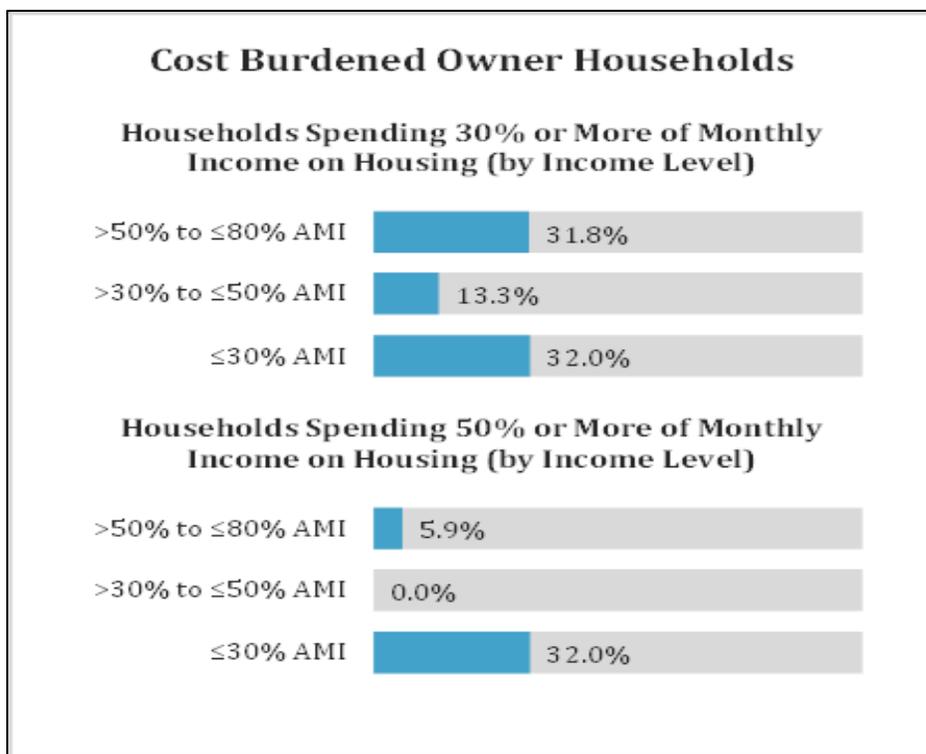
In order to meet state and federal definitions of housing affordability, housing should be affordable for households earning 80 percent of the area median income (moderate income). This means that no more than \$1,003 can be spent on payment for a mortgage or rent and utilities each month.

Affordability of home ownership and rental affordability are inherently different. Rental rates do not correlate directly with the market value of homes. Therefore, each will be analyzed individually.

#### ***Affordability of Home Ownership***

Housing is considered affordable when households, regardless of their income, spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly income. Based on this definition, 29.3 percent of the city's owner households that earn a moderate income or less are cost burdened, which indicates that Wellsville's residents would benefit from additional affordable ownership options.

A monthly payment of \$1,003 would support a mortgage of approximately \$140,027 based on a 30-year fixed rate loan at 4.1% interest with utilities. Homes valued at or below \$140,027 are considered affordable for moderate income earning households in Wellsville.



Source: Utah Affordable Housing Forecasting Tool

***Analysis of Housing Affordability – Home Ownership***

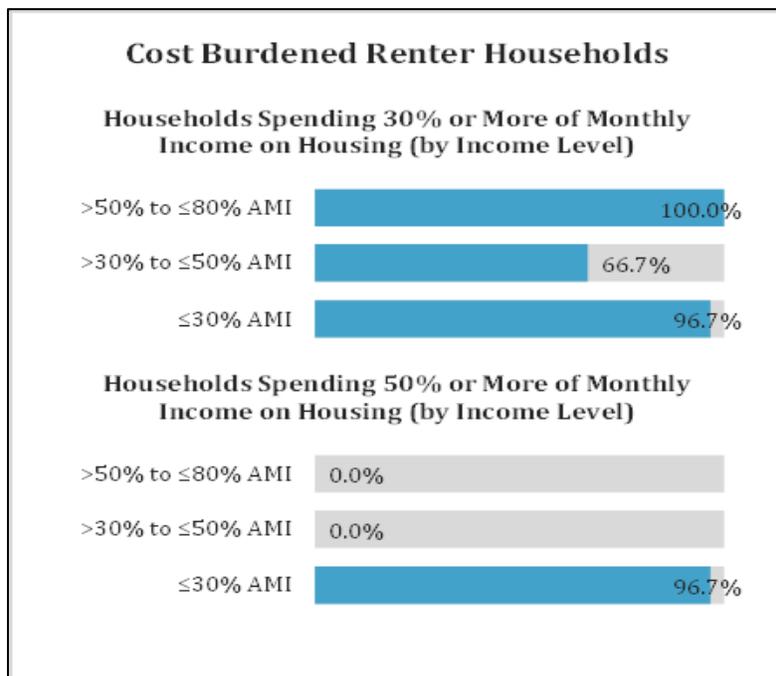
Forty three percent(43%) of all households in Wellsville are moderate income households or below. Currently, in the City, there are affordable housing options for those earning a moderate income, which is between 61% and 80% of median income. 26% of the housing stock and 28% of homes for sale are affordable to moderate income households in Wellsville. However, for very low (50% AMI) and extremely low income (30% AMI) households, comprising 10% of households in Wellsville, affordable housing for purchase is less available. Only 3% of the housing stock and none of the homes for purchase are affordable to households earning just 50% of the AMI. None of the homes for purchase are affordable to those earning just 30% of the AMI.

***Affordability of Rent***

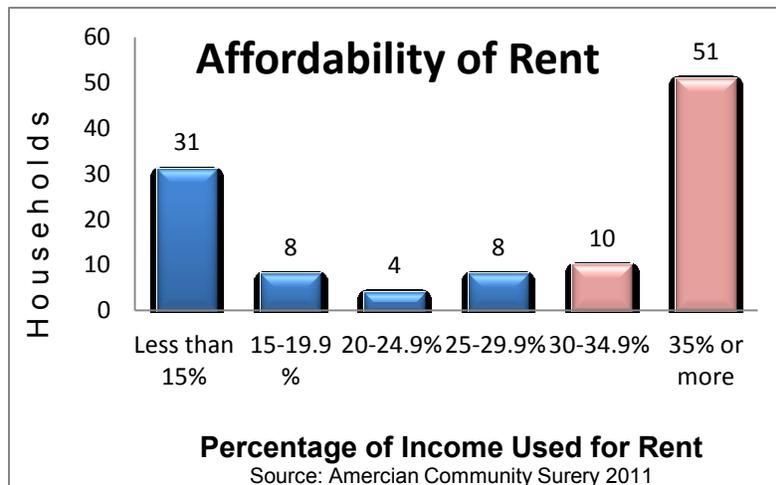
Rental Housing is considered affordable when households, regardless of their income, spend no more than 30 percent of their monthly income on housing expenses. Therefore, cost-burdened households are those households whose housing expenses exceed 30 percent of their monthly income. Based on this definition, 90.8 percent of Wellsville's renter households that earn a moderate income are cost burdened, which indicates that Wellsville's residents would benefit from additional affordable rental options.

According to the 2010 Census there are 126 households for rent in Wellsville. Using data from the American Community Survey(ACS), median cost to rent an apartment in the city is \$763. Monthly rental rates include single family homes that are being rented which are characteristically higher than rental of apartments. A local survey indicates that apartment rental rates about \$500.00 per month.

Households earning a moderate income (80% of AMI) can afford the rental rates of single family homes and apartments in Wellsville. However, those earning a very low (50% of AMI) are able to afford the rental rates of apartments and certainly cannot afford rental of most single family homes. Those households earning 30% of AMI and less cannot afford rental of any kind. The majority of renters in Wellsville cannot afford the price of rent as the chart below displays. More than 63% of renters are paying more than 30% of their income on rent and utilities.



Source: Utah Affordable Housing Forecasting Tool



Percentage of Income Used for Rent

Source: American Community Survey 2011

### ***Analysis of Housing Affordability – Rent***

Moderate and very low income households can afford the median cost of a 2-bedroom apartment in Wellsville. Nevertheless, rental options for low income households are limited. It is likely that many of the 126 (12%) households that cannot afford rent are low income earners. According to 2007-2011 ACS data, all households in Wellsville with an income below \$20,000 spend more than 30% of their income on rent and utilities. Although there are some limited properties for low-income renters, the demand is much higher than the supply of low-income housing.

### ***Special Needs Housing***

It is important for Wellsville to address housing for those with special needs. People with special needs may include the elderly or disabled that live on a fixed income, the homeless, or those otherwise in need of specialized or supportive housing.

Data from the 2011 American Community Survey indicates that 8.5 percent of all Americans under the age of 65 and 36.6 percent of all Americans 65 and older have some form of disability. Assuming that the percentage of Wellsville residents with disabilities is comparable to national figures, approximately 263 Wellsville residents under the age of 65 and 119 Wellsville residents 65 and older suffer from a disability. Individuals with disabilities may require special housing accommodations.

About 322 (9.4%) of Wellsville's residents were 65 and older as of the 2010 U.S. Census. The city's population that is 65 and older is expected to enlarge over time. Some elderly individuals may not be able to remain in their homes or may choose to relocate to a housing unit that better suits their preferences and needs. The Mayor and City Council of Wellsville may wish to evaluate the housing options available to seniors wishing to remain in or relocate in Wellsville.

Many of the elderly who own their homes are living on fixed incomes, and their housing affordability is affected by property values, maintenance, and utility costs. Some options available to assist lower income senior citizens are tax and mortgage foreclosure prevention services, home rehabilitation and weatherization programs, property tax deferred payment programs, and utility assistance programs. Some 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 owner occupied and rental housing opportunities will increase.

According to the 2013 annualized point-in-time count, roughly 0.55 percent of Utah's population is homeless. Although regional differences may impact the rate of homelessness, this percentage can be used to estimate the number of homeless individuals in Wellsville. Based on this estimate as many as 19 persons could be without housing in Wellsville. However, observations and local knowledge do not substantiate this estimate. If more accurate information becomes available and indicates that residents of Wellsville are homeless, Wellsville should consider developing or promoting programs designed to help these individuals become stably housed.

### ***Analysis of Special Needs Housing***

The only special needs housing within the City limits is the Adult Addiction Recovery Center located at Sherwood Hills. There are no senior housing projects located in the City. Local knowledge indicates that the majority of seniors have secure housing recognizing, however, that there is still an unmet need for affordable senior housing.

## **Zoning and Housing Regulations**

In order to evaluate the potential for moderate income housing in the community, it is important to understand the regulatory environment for residential housing. Zoning regulations govern the use and density for new developments. These regulations have a direct impact upon the opportunity to provide affordable housing within the community.

### ***Survey of Residential Zoning***

Within the City of Wellsville, there are five classifications of residential zones. The table below includes each zone, minimum densities, permitted and conditional residential uses, and approximate acreage demarcated within the city for each zone.

**Zoning Conditions**

Zone	Lot Size (sf)	Acres Designated		Residential Conditional Uses Allowed	Single Family Detached Dwelling Units at Buildout	Multi-family Dwelling Units Allowed at Buildout
		Occupied	Future			
R/1/12	12,000	634	221	multi-family	2,483	318
RA-1/2	20,000	101	124	none	392	0
RA-1	43,560	160	1,015	none	940	0

The General plan of the City of Wellsville clearly defines how multi-family housing is to be integrated into the community. "For many years the City of Wellsville has allowed multifamily dwellings that are mixed into single family neighborhoods throughout the community. This blend of housing types has proven successful in providing a variety of housing types and in making neighborhoods diverse. It is desirable for this pattern to continue... Multifamily housing must be designed to be compatible with neighborhoods of the City."

The City of Wellsville future defines this practice in the Chapter 10-11-16 of the municipal code that states that the regulations of multi-family dwellings is, "To avoid concentration of large numbers of multi-family dwellings in any one area."

Wellsville has consciously and uniquely provided for mixed housing in its neighborhoods for many years. This practice has resulted in multi-family units that are integrated with single-family homes. It has proven to be a fair and equitable solution where no area of the city is overburdened by a concentration of multi-family housing. With this historical context, it is not likely that large areas of the city would be legislatively rezoned departing from this successful practice. A practice that few communities have ever had the courage to try, let alone implement. For this reason, the Affordable Housing Committee did not recommend large rezoning of land exclusively for multi-family housing. As the table below illustrates there is significant growth area allowed within the city to accommodate addition multi-family housing.

**Current Zoning Allowance for More Multi-Family Housing**

R1-12 (ac)	Roads	Avail. for Housing (ac)	10 ac. Blocks in R1-12 Zone	Less blocks with Multi Family Dwellings	Blocks Available for Multi Family Dwellings	Additional Multi Family Dwellings Allowed by Conditional Use Permit
1039	184	855	86	6	80	318

The majority of residential zoning for Wellsville is low density, with multi-family allowed to be mixed into single family neighborhoods. The land use of the city reflects this dynamic and is still dominated by single family homes.

There are no other zoning districts in the City where residential uses are allowed.

***Evaluation of Zoning Code Effect upon Affordable Housing***

According to the Utah Affordable Housing Forecasting Tool, there are sufficient opportunities for moderate income households (80% AMI) to purchase or rent a home. Therefore, it is unlikely that Wellsville’s Land Use policies are inhibiting the ability for residents within this income bracket to afford housing. However, there are currently not sufficient affordable housing opportunities for those earning less than a moderate income. Although the city allows multi-family housing throughout the entire town center zone, the supply for affordable housing options, which often includes these types of housing options, is currently not meeting the demand. The Utah Affordable Housing Forecasting Tool also suggests given that 96.7 percent of the city's housing stock is made up single-unit detached homes, Wellsville may want to consider whether a more diversified housing stock would benefit current and future residents.

The fact that Wellsville has not had an application for a multi-family housing project in the last seventeen years suggests that either the market is not supplying the local need for more affordable housing or that the current regulatory policies for multi-family housing has restricted more affordable housing. It is most likely that both factors reflect reality. The City should consider modifying zoning regulations to try to stimulate housing affordability to meet

the needs of its citizens who need more affordable opportunities. In order to allow more affordable housing opportunities, the city should reconsider the land use regulatory policies and economic burdens that may be affecting construction of affordable housing. Expanding housing diversity could allow the market to respond more readily to the demand for low to moderate income housing.

## Gaps and Needs in Affordable Housing

Gaps and needs for affordable housing have been identified to allow a workable set of affordable housing goals, objectives, and strategies. A gap is a term used to describe a missing component while a need describes what is required to fill the gap. For example: in the ever growing need for desks and class rooms in schools, there is never enough space. The gap is the number of missing desks needed by new students. To fill the gap options may be to increase the number of desks in the class room or add classrooms to meet the needs of new students. This section identifies the present and future housing gaps and needs in Wellsville.

### **Gap 1**

Many of the very low and extremely low income earning households do not have sufficient opportunity to purchase affordable housing.

#### **Need**

Approximately 101 households in Wellsville earn less than \$26,000 per year. They need the ability to purchase housing they cannot afford under traditional lending standards.

### **Gap 2**

Many of the very low and extremely low income earning households do not have sufficient opportunity to rent affordable housing.

#### **Need**

Approximately 61 households in Wellsville are renting housing that they cannot afford. Additional affordable single family and multifamily rental units are needed.

### **Gap 3**

Many homes are older than 30 years old, and some are either deteriorated or dilapidated.

#### **Need**

There are 36 homes that are vacant. Some of these vacant homes are unlivable. Almost 30% of the occupied single family homes are more than 60 years. Many are in need of weatherization and code updates. Some of these homes are severely deteriorated or dilapidated, and need rehabilitation. More than 54 % of the rentals are older than 60 years and require ongoing maintenance and rehabilitation.

## Affordable Housing Goals

### *The basis for establishing affordable housing goals*

If the City were to decide to accomplish its long term affordable housing goals by uniformly increasing density by mass rezoning there would be no assurance that affordability would be the outcome of those actions. The result of lower land costs by increased density would likely be realized by developers in the form of slightly lower costs to become more competitive or would simply increase profitability. It is not likely that affordability would be realized by those citizens of Wellsville who have low to very low income levels. A dependable method to increase affordability is to require affordability. The selection of these goals for affordability has been prioritized to emphasize those solutions that will give greater assurance of successful affordability to the citizens in need in Wellsville.

### **Goal 1 – Home Ownership Opportunities**

Increase opportunities to purchase affordable housing and provide greater housing choice for very low and extremely low income earning households. Actively encourage additional housing options such as affordable single family or multi-family housing for purchase by very low income (50% AMI) and extremely low income (30% AMI) households.

#### **Strategy 1**

Promote programs such as the USDA Rural Development Direct Loan or Guarantee Loan. The direct loan program lowers the interest rate, and effectively increases the purchasing power of the home owner.

#### **Strategy 2**

Encourage the local Neighborhood Nonprofit Housing Authority or other non-profit group to build a subdivision project in the city utilizing the USDA-funded Mutual Self-help Program that assist low-income households to purchase a home. The Mutual Self-help Program allows individuals to build “sweat equity” toward the purchase of their new home by actively participating in the construction thereby reducing the cost of the home. Sweat equity can become the down payment and can reduce the price of the home by 25%. Partnering with agencies and developers for projects such as this will help improve affordable housing options for the community. This program has been very successful in several surrounding communities.

#### **Strategy 3**

Work with Private Developers to identify housing projects with affordable and subsidized units for purchase. This would require the City to determine incentives that would promote housing affordability. If the City required that each housing project provided a percentage of the housing to be affordable there would then be some assurance to the city that provided incentives actually assure an affordable housing component with each project. The City might consider incentives such as reducing impact fees, in-kind city participation in the project, and assisting with City, State, and Federal grants.

#### **Strategy 4**

Support and help facilitate first time buyer program through local banks and lenders. This

would require city staff or elected officials to arrange with local financial institutions to provide lower interest loans and reduction in up-front cost.

**Strategy 5**

Allow more diversity of lot sizes within subdivisions that will promote smaller more affordable lots. With this strategy new and existing neighborhoods would be more diverse and affordable housing would be judiciously mixed in subdivisions. This strategy is consistent with the unique practice in Wellsville of fairly mixing small multi-family projects within the existing city blocks of single-family housing. Requiring a mix of lot sizes in new projects would give greater assurance that affordability would be accomplished.

**Strategy 6**

The City should begin its own “Welcome Home to Wellsville Program” that would be funded by CDBG Federal Grants administered by Cache County. The City would annually solicit CDBG from Cache County funds that could help finance the reduction of down payment and closing costs for the purchase of affordable housing in Wellsville. The use of CDBG funds in this manner would be easily justified and would be more competitive with other applications.

**Strategy 7**

Encourage the production of attached single family dwellings for purchase that would be affordable. These homes could take the form of townhouses or duplexes that meet the design requirements for the Multi-family Dwellings of the City Code. Four attached dwelling units would be allowed in each city block. These multi-family units would be available for sale to individual families. They would be integrated into each block as currently allowed. This would provide home ownership at a more affordable level than single family detached homes on larger lots. The City should consider adding incentives to attract developers to provide this form of housing. However, as with any other affordable housing incentives provided by the city, there should be requirements by the developer to ensure affordability.

***Goal 2 – Rental Opportunities***

Increase Affordable Rental Opportunities for Very Low and Extremely Low Income Earning Households. Actively encourage the creation of affordable rental units for very low income (50% AMI) and extremely low income (30% AMI) households.

**Strategy 1**

Work with Private Developers to identify rental housing projects with affordable and/or subsidized units. This would require the City to determine incentives that would promote rental housing affordability. The City could require that each multi-family project of 4 units provides at least one unit that is affordable. This should definitely be done if there are any city sponsored incentives to ensure that affordability is achieved. City might consider incentives such as reducing impact fees, in-kind city participation in the project, and assistance with City, State, and Federal grants.

**Strategy 2**

Support and promote subsidized rental projects that provide all or a portion of a housing project that meets affordability goals. These project are often built and managed by private

developers. They used funding assistance from banks required to promote affordability. Experience with these projects in northern Utah has shown that they are highly successful quality projects that are well maintained and are a complement communities.

**Strategy 3**

Consider expanding the multi-family code to be allowed in all residential zones. This would increase the total number of allowed units and would fairly and evenly integrate multi-family housing throughout the city. Each existing block and areas where new blocks are created would be allowed to contain 4 attached dwelling units.

**Strategy 4**

Promote and pursue rental housing for the elderly that is stimulated by Olene Walker Funds administered by the State of Utah.

**Goal 3 – Rehabilitate**

Maintain and rehabilitate existing housing to increase homeownership, rental properties, and reinvestment in Wellsville. Encourage maintaining the existing housing stock by rehabilitating severely deteriorated and dilapidated homes.

**Strategy**

Promote the use of the Single Family Rehabilitation and Reconstruction Program and the USDA Rural Development Housing Program to extremely low to moderate income households. These programs offer low-interest loans and grants for maintaining and rehabilitating existing housing stock. The Bear River Association of Governments (BRAG) makes these federal grants available to those who qualify. The city could encourage the use of these funds by promoting them in the mailings to citizens. The city could also promote workshops staffed by BRAG staff to help families apply and qualify.

**Goal 4 - Weatherization**

Weatherize existing housing to increase the energy efficiency of rental properties and homes that will result in greater affordability of housing stock. Weatherizing existing housing will increase housing affordability by reducing monthly energy costs.

**Strategy**

Help locate moderate to extremely low income families that need weatherization assistance. Assist these households to contact the Bear River Association of Governments (BRAG) Weatherization Program. This assistance will help to reduce utility bills and monthly expenses by making homes more energy efficient.

## Other Housing Strategies

The Affordable Housing Committee reviewed and evaluated additional housing strategies that were determined to be ineffective or untimely for the community at this time. These strategies are included here for possible future consideration by the Mayor and the City Council.

### ***Future Housing Consideration A***

Reduce Minimum Lot Size Requirements uniformly throughout the city.

### ***Future Housing Consideration B***

Zone specific areas of the city for Multiple Housing.

### ***Future Housing Consideration C***

Increase number of allowed multi-family units in a block.

### ***Future Housing Consideration D***

Allow Accessory dwelling units or guest houses.

## Benchmarks and Evaluation Determinants

The goals, objectives, and strategies should be evaluated on an annual basis to determine if the progress has been made to forward these goals. If the strategies are not achieving the listed goals, the strategies should be amended.

## Priorities and Timelines

The following table summarizes the affordable housing goals. It lists how many of each type of unit is needed, how the goal can be attained, and when the goal will be needed.

Type	# Units Needed	How Attained	When needed
Affordable Single Family housing for purchase	91	Promote USDA Rural Development loan programs, Increase home ownership of attached housing.	2020
Affordable Single Family and Multi-Family Units for rent	38	Affordable Housing Projects, Add Incentives, Promote State and Fed.Grants	2020
Rehabilitate Existing Housing Stock	N/A	Promote federal and state funded rehabilitation and weatherization programs	Now

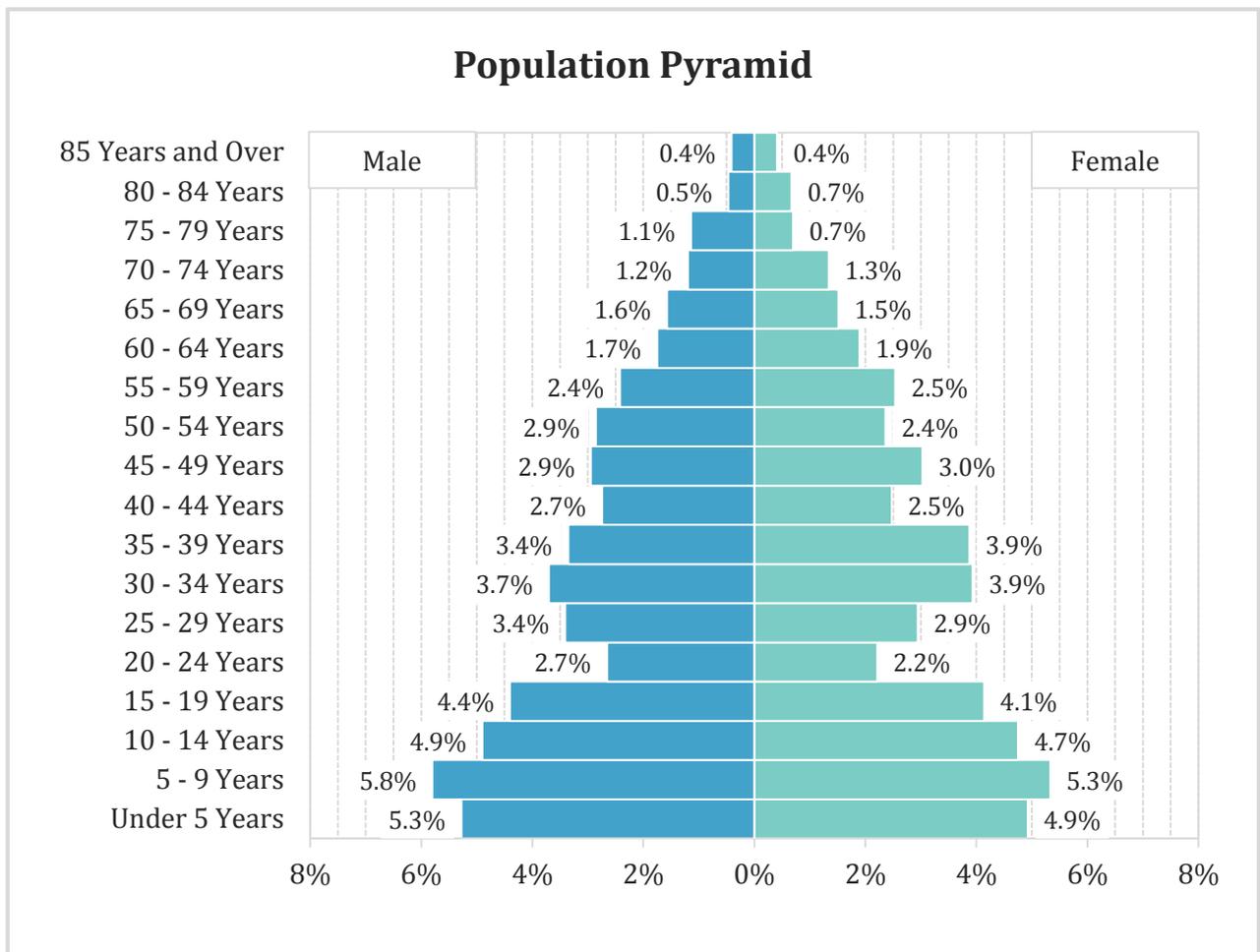
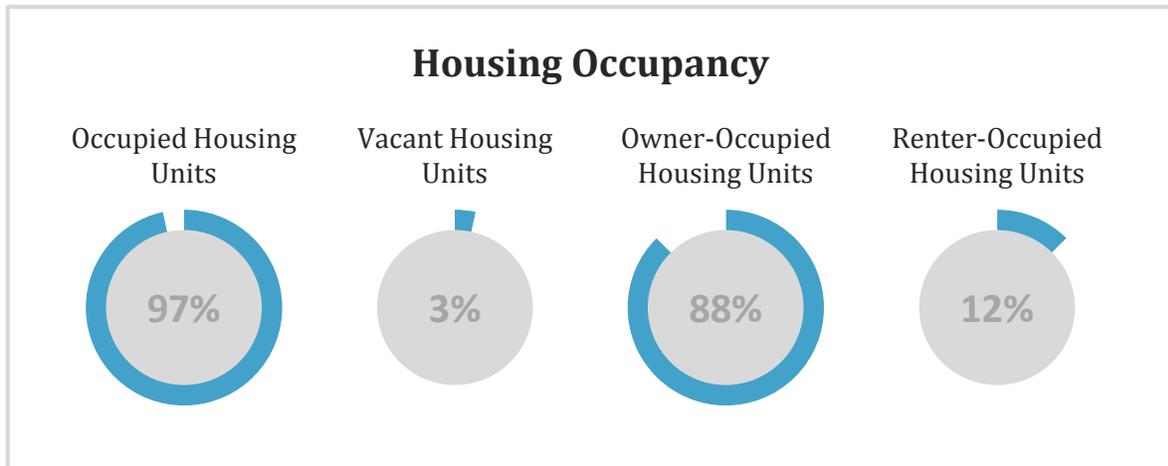
Appendix

**Potential Strategies to Create More Affordable Housing in Wellsville  
Summary of Suggestions from the Affordable Housing Committee**

	Strategy	Potential Effect on Affordability
<i>Affordability of Single Family Home Buying</i>		
<input checked="" type="checkbox"/>	1 Reduce Minimum Lot Size Requirements uniformly throughout the city	reduce land cost for housing
<input checked="" type="checkbox"/>	2 Zone specific areas of city for Multiple Housing	could encourage more starter homes and more affordable rent
<input checked="" type="checkbox"/>	3 Allow more diversity of lot sizes to promote including mixed lot sizes	may produce greater mix of single family housing income levels
<input checked="" type="checkbox"/>	5 Promote a subdivision or a series of Mutual Self Help Program Homes	Allows individuals to build sweat equity by helping to build their new home
<input checked="" type="checkbox"/>	6 Promote the use of Single Family Rehabilitation and Reconstruction Program and the USDA Rural Development Housing Program	Can provide low-interest loans and grants for maintaining and rehabilitating existing housing stock.
<input checked="" type="checkbox"/>	7 Promote Elderly Housing projects stimulated by Olene Walker Funds	Loans at below market rates for construction of multi-family housing and rehab for elderly
<input checked="" type="checkbox"/>	8 Support and promote housing weatherization and rehabilitation programs administered by the Bear River Association of Governments (BRAG).	Will help to reduce utility bills and monthly expenses by making homes more energy efficient.
<input checked="" type="checkbox"/>	9 Support and promote first time home-buyer program through local banks and lenders	Could bring several affordable single family homes in one project
<input checked="" type="checkbox"/>	10 Work with Private Developers to identify housing projects with affordable and subsidized units for Purchase.	This could provide immediate interest by developers. It would require density bonuses or other incentives for providing affordable housing units in subdivisions. If affordable housing was required every project would have an affordable product
<i>Affordability Of Rental Housing</i>		
<input type="checkbox"/>	1 Reduce Minimum Lot Size or increase number of allowed multi-family units in a block.	increase density would cause more rental units to be developed
<input type="checkbox"/>	2 Zone specific areas of city for Multiple Housing (ie. Town square).	would attract larger projects and could stimulate more development of affordable housing.
<input checked="" type="checkbox"/>	3 Expand existing multi-family code to be allowed in all Residential Zones. (4 attached units / block)	This would be the fair and equitable approach to provide greater affordable housing options. This approach could save scraping the current multi-family code.
<input checked="" type="checkbox"/>	4 Support and promote first time home-buyer program through local banks and lenders	Banks are required to spend a certain amount of their profits on affordable housing programs.
<input checked="" type="checkbox"/>	5 Work with Private Developers to identify housing projects with affordable and subsidized units for rent.	This could provide immediate interest by developers. It would require density bonuses or other incentives for providing affordable housing units in multi-family projects.
<input type="checkbox"/>	6 Consider allowing accessory dwelling units or guesthouses to integrate affordable housing options	Would provide opportunities for affordable housing uniformly throughout the community. Assesory units would be maintained by the home owner.

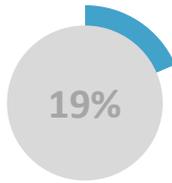
Committee believed that this option should be considered

Committee suggests that these option should be investigated future and considered at some future time.



### Owner-Occupied Housing Units by Year Built

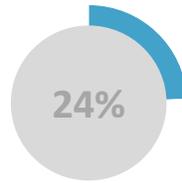
2000 or later



1980 to 1999



1950 to 1979



1949 or earlier

