

CHAPTER SEVENTEEN: MODERATE INCOME HOUSING CONDITIONS PLAN



The State of Utah recognizes in House Bill 295 (State Statute 10-9-307, 17-27-307, 62A-9-138, 63-2811) that the availability of moderate-income housing is a statewide concern that requires municipalities and counties to propose a plan for moderate-income housing as part of a general plan. “Moderate income housing” is defined as housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80 percent of the median gross income of county. In Tooele County the median income for a household of four is \$47,600 in 2000 (Source: U.S. Department of Housing and Urban Development). Moderate income housing is therefore defined as housing that is affordable (housing and utility costs do not exceed 30 percent of household income) for a household with an income of \$38,080.

The spirit of the statute is to ensure that households who desire to live in Tooele County should not be excluded from living in the county simply because they are moderate or low income households. The statute states “municipalities should afford a reasonable opportunity for a variety of housing, including moderate income housing, to meet the needs of people desiring to live there...and to fully participate in all aspects of neighborhood and community life.”

The housing analysis complies with the statute which requires an estimate of the “existing supply of moderate income housing” and the “need for moderate income housing...for the next five years.” As required by the statute a survey of residential zoning was conducted to determine if “existing zoning densities affect opportunities for moderate income housing.” In addition to the requirements of the statute, the study relies on the Utah Affordable Housing Manual, published by the Department of Community and Economic Development to identify data needs and provide an analytical framework.

PROFILE OF TOOELE COUNTY

Housing Availability:

In summary, the availability of housing in Tooele County is sufficient to meet the demand for housing by homeowners and renters. A construction boom has added an extraordinary number of new single-family units to the inventory and a relatively large number of vacant units are available either through the Real Estate Multiple Listing Service or home builders. New single-family construction has made a wide price range of new owner occupied units available to home buyers.

In contrast, the rental market has not experienced a construction boom hence this market does not offer the choices or alternatives of the single-family market. Nevertheless, the supply of rental units appears sufficient to meet demand and there is no evidence of a “tight market” characterized by rapidly rising rental rates and very low vacancy rates. Housing availability for special needs populations (handicapped and seniors) has improved in the past few years with the addition of a Senior rental project and Valley Meadows a facility dedicated, in part, to mentally and physically handicapped individuals.

Tooele County has a population of approximately 40,000 people and an estimated 13,000 households. Three out of four of these households--nearly 9,800--own their own homes (includes modular and mobile homes) and the remaining 3,200 households live in rental units.

In the past five years Tooele County has had one of the most robust housing markets of any of the state’s 29 counties. Currently there are 359 homes in Tooele County listed for sale by the Wasatch Front Multiple Listing Service, about 4 percent of the owner occupied inventory. Both Salt Lake and Utah County have about 2 percent of owner occupied inventory listed “for sale”. The homes for sale in Tooele County range in price



from \$40,000 for a sixty-two year old, one-bedroom house of 732 square feet to a \$519,000 home built in 1998 in Erda. Forty-three homes “for sale” are priced at less than \$100,000.

The number of single-family homes vacant is estimated to be about 650. This high number of vacant units is attributable to the large number of homes under construction in Tooele City. Many of these homes are speculative homes offered for sale by builders. In the past few years the speculative homes built each year have been absorbed by households moving from Salt Lake or Davis County to Tooele County’s affordable housing market.

The vacancy rate for rental units is estimated to be 5 percent or about 170 units. Unfortunately there is no association or agency that gathers rental vacancy data on a routine basis in Tooele County. Nevertheless, a vacancy rate was determined by discussions with planners, providers of housing, a windshield survey and review of classified ads.

During the 1990s the number of new single-family housing units added to the housing inventory has been impressive. From 1990 through 1999 nearly 4,000 single-family units have been added to the housing inventory. In 1990 the total inventory was only 6,450, hence in the past ten-years the inventory of singlefamily units has increased by extraordinary 62 percent. During a similar period, new construction of rental units has been much more modest, only 400 units, one-tenth the number of new single-family units. This disparity between types of new residential construction is explained, in large part, by the growing role of Tooele County as a bedroom community to Salt Lake County. Home owners, benefitting from lower cost housing in Tooele County, are willing to commute the 30 to 45 minutes to employment in Salt Lake County, whereas, the same economic incentives have not been present for renters. Rental rates in Salt Lake County have not increased much in the past few years as vacancy rates rose to over 7 percent, thus providing reasonably priced rental housing in Salt Lake County. These conditions left little incentive for renters to move to Tooele County for lower priced rental housing. It should be emphasized that understanding the dynamic

between the Tooele County and Salt Lake County housing market is essential in evaluating housing market conditions in Tooele County.

Subdivisions throughout Tooele County are providing a new homes at affordable prices. There are currently subdivision in both Tooele City and Grantsville offering new homes for \$90,000 to \$100,000.

The special needs population in Tooele County is estimated to be 220 elderly handicapped, 118 nonelderly handicapped and 320 Senior households that rent. Approximately 110 of the handicapped individuals are in households with incomes at or below 80% of the Area Median Income (AMI). Sixty handicapped individuals are in households with incomes at 50% of the AMI. The number of Senior households that must rent and have incomes at or below 60 percent of AMI is 195. For these two special needs populations housing availability is adequate. There are 237 rental units in six apartment communities in Tooele County that offer deep rental subsidies for low-income handicapped and Senior renters.

Adequacy of Physical Condition of Housing Stock:

The physical condition of the housing stock in Tooele County is superb due to the high number of new units built in the last ten years. The median age of owner occupied units is 20 years and for renter occupied units is 32 years. Nearly 40 percent of all owner occupied units have been built since 1990 and 13.5 percent of renter units have been built since 1990.

Housing Affordability:

In general, the housing stock of Tooele County provides sufficient affordable housing choices for moderate to low income households. The estimated number of home owners in 1999 with incomes at or below 80 percent of AMI is 2,900. The maximum price of a single-family home for a four-person household with income at or below 80 percent AMI is \$95,800. According to the County Assessor’s office 3,500 homes or 37 percent of all single-family detached homes in Tooele County have a market value of less than \$95,800, see below Table 1.



Table 1 Affordability Estimates

Category	Amount
Homeowners @ 80 Percent of AMI:	
Price Limit for Home Owner Affordability with 10% Down and 8.5 Percent Rate	\$95,872
Number of Homeowners	2,907
Number of Single-Family Units Valued At or Below \$95,872 (County Assessor)	3,597
% of All Single-Family Detached Units That Are Affordable by Households	37%
With Income at or below 80% AMI (Market Value of Home \$95,872)	
Homeowners @ 50 Percent of AMI:	
Price Limit for Home Owner Affordability with 10% Down and 8.5 Percent Rate	\$58,100
Number of Homeowners	1,365
Number of Single-Family Units Valued At or Below \$58,100 (County Assessor)	430
% of All Single-Family Detached Units That Are Affordable by Households	4.4%
With Income at or below 50% AMI (Market Value of Home \$58,100)	
Number of UHF A First Time Home Buyer and CHAMP Mortgages (Low Interest Mortgage Loans)	435
Number of RD 502 Loans (Low Interest Mortgage Loans)	61
Renters @ 80 Percent AMI:	
Rental Rate Limit for Renter Affordability	\$871
Number of Renters	1,785
Renters @ 50 Percent AMI:	
Rental Rate Limit for Renter Affordability	\$514
Number of Renters	1,106
Number of Subsidized or Assisted Rental Units	529
HUD Certificates and Vouchers for Rental Assistance	215

Source: James A. Wood.

The affordability of housing in Tooele County is demonstrated by data from the Wasatch Front Regional Listing Service. Sales data show that the average price for a home in Tooele County in 2000 was \$127,998, lower than in any of the neighboring counties. The average price of homes sold in Salt Lake County for the same period was \$175,013, 36 percent higher than Tooele County, see below Table 2.

Although housing choices for low income households (50% to 80% of AMI) are relatively good the housing choices for very low income households (less than 50% of AMI) are less satisfactory. There are an estimated 1,360 home owners with income at or below 50% AMI. These household can qualify for homes valued

at \$58,100 or less. The Assessor’s records show that only 430 homes in the county are valued at or below \$58,100.

The number of renters in Tooele County in 1999 with incomes at or below 80% of AMI is 1,785. The maximum rental rate affordable for these households is \$870 and \$81 for utilities. These low income, four-person, renter household would be able to afford, without much difficulty, a three-bedroom apartment in Tooele County. The situation changes drastically, however, for renters at or below 50% of AMI. There are 1,100 renters in the county with very low incomes. These households can not afford more than \$514 for rent. For these households, only older, smaller two-bedroom rental units would be affordable. Fortunately,



**Table 2 Selling Prices of Homes Sold Through Multiple Listing Service
(June to June)**

County	Number of homes sold	Average price	% of homes sold for less than \$100,000
Tooele			
1998	133	\$123,301	24.8
1999	264	\$123,227	22.7
2000	316	\$127,998	16.8
Salt Lake			
1998	8,815	\$163,886	13.4
1999	9,440	\$168,298	10.1
2000	9,698	\$175,013	8.2
Davis			
1998	2,017	\$146,095	18.1
1999	2,247	\$155,607	14.2
2000	2,289	\$161,572	10.4
Utah			
1998	2,219	\$150,690	14.1
1999	2,612	\$159,657	9.7
2000	2,834	\$169,763	6.9
Weber			
1998	2,037	\$120,424	41.5
1999	2,263	\$126,282	34.6
2000	2,364	\$129,156	30.3

Source: Wasatch Front Multiple Listing Service.

there are 530 subsidized or assisted rental units available in the county for low to very low income renter households and 215 HUD vouchers and certificates to help assist low income renters. These subsidies help to significantly alleviate housing problems for low income renters, see below Table 3.

In Tooele County, low income households are not excluded from affordable housing because of transportation, discrimination or attitudinal barriers. And importantly zoning ordinances do not prevent

the development of affordable housing. A survey of planners in each city showed that the county is characterized by zoning ordinances that encourage the full range of single-family development; from small twin home lots of 4,000 square feet/unit to 5 acre ranchettes see below Table 4. There was no evidence of exclusionary zoning of low to moderately priced single-family homes. A list of new subdivisions in each city shows the number of developments with 6,000 to 8,000 square foot lots. Further evidence of the acceptance of low to moderately price housing is the



Table 3 Subsidized “Affordable” Rental Projects in Tooele County

Project/Location	Sponsoring agency	Type of project	Units	Subsidy	Year built
<i>Grantsville</i>					
South Willow 211 South Hale,	Rural Development	Family	18	Deep	1972
Willow Creek 236 West Plum	Rural Development UHFA	Elderly/Handicapped	83 (77 units RD subsidy)	Deep (77 units deep, 6 tax credit units)	1987 1990 1991
Ace Apartments Corner of Hale and Cherry Street	HUD	Family	18	Deep	na
<i>Tooele City</i>					
Canyon Cove Housing 178 East Vine	HUD	Elderly/Handicapped	24	Deep	1986
Five-Plex 132 Utah Avenue	TCHA	Family	5	Deep	na
Kirk Hotel 57 West Vine Street	OWTF	Family	50	Low interest loan	na
Lakeview Apartments 900 North Main Street	UHFA	Family	75	50% AMI	1999
Landmark Apt. Village 400 North 350 West	HUD	Family	52	Deep	1981
Oquirrh View 586 North 270 East	Rural Dev.	Elderly/Handicapped	16	Deep	1993
Remington Park 500 Utah Avenue	Rural Dev. OWTF, UHFA	Elderly/Handicapped	72 units (24 units RD subsidy, 48 tax credit)	Deep	2000
Somerset Gardens 143 North 400 West	Rural Development UHFA	Elderly/Handicapped	28 (28 units RD subsidy)	Deep	1991



number of mobile and modular home in many of the cities. All cities and the county allow mobile homes and modular homes. Nearly 5 percent of all owner units in the county are mobile and modular homes.

The following questions, as recommended in Utah Affordable Housing Manual were asked of planners in each city and the county.

1. Do you have enough land zoned residential to accommodate next five years of growth? **Yes**
2. For most new subdivision developed last year was rezoning required? **No**
3. Were many subdivisions that needed rezone turned down last year? **Very few.**
4. Of land zoned residential, what percent is for high density housing; condos and apartments? **Very small percentage. High density renter occupied housing does have some opposition in cities.**
5. Can developers have higher density if building low and moderate income housing? Any other incentives for low income housing?
A few cities offer density incentives but not a general practice.
6. Are there any procedural or permitting exceptions for affordable housing? **Usually not.**
7. Does zoning ordinance encourage zero-Lot-line, clustering PUD etc., clustering etc. **No**
8. Does high density use require special use permit or conditional use permit? **Usually if it meets zoning requirements no further permits.**

Project/Location	Sponsoring agency	Type of project	Units	Subsidy	Year built
Valley Meadows Shay & Taylor Lane 800 West 600 North	TCHA, OWTF Valley Mental Health	Families 20 units Special needs 20 units	40 (20 units low income families)	Deep	1999
Westwood Mesa 650 West 770 South	TCHA	Family	22	Deep	na
<i>Wendover</i>					
Briarwood	Rural Development UHFA	Family	32	Deep	1992 Rehap.
Vouchers and Certificates	HUD	Income qualified renters	215	Deep	na

Note: Rural Development, UHFA - Utah Housing Finance Agency, TCHA - Tooele County Housing Authority, HUD - Department Housing and Urban Development, OWTF - Olene Walker Housing Trust



Table 4, Subdivision Approved Recently by Municipalities and Tooele County

Subdivison	Number of lots	Size of lots
<i>Grantsville City</i>		
Anderson land 78 East Durfee Street	Phase I 36 Phase II unk.	Y2 acre and I acre lots
Castle Wood Cove 685 East Main Street	88	7,000 sq.ft.
Park Meadows 50 North Booth Street	75	7,000 sq.ft.
Six Hundred East Main 600 East Main	14 twin home lots	na
<i>Ophir</i>		
None		
<i>Rush Valley</i>		
None		
<i>Stockton</i>		
Rawhide Ranchettes Silver Avenue	30	two acre lots
B&B Subdivision Walk Street	10	5 acre lots
<i>Tooele City</i>		
Copper Canyon 700 North 300 West	118	6,000 to 7,000 sq.ft. twin homes are 4,000 sq .ft.
Overlake 400 West 2000 North	8,000 households eventually, Phase I 700 lots	majority less than 10,000 sq.ft.
Rancho Tooele 900 South 900 West	222	7,000 to 8,000 sq.ft.
Westland Cove 300 South 900 West	100	8,000 sq.ft.
West Meadows 700 South 900 West	140	8,000 sq.ft.
West Point Meadows 600 North 700 West	24	6,000 sq.ft
<i>Tooele County</i>		
Saddleback Lake Point I-80	2500 lots	one acre overall density
Gateway Stansbury Park	100 to 150	8,000 sq. ft.
Watt Homes Stansbury Park - Village Blvd.	389 lots	50% are 7,000 sq. ft. or less



Subdivison	Number of lots	Size of lots
Tooele County (Cont'd)		
The Benches at South Rim	91 lots	2 acres, overall density of 5 acres with a conservation easement
Old Mill PUD at Stansbury Park	75	13.300 sq. ft lots
Vernon		
Minor subdivision	6 lots	5 acre parcels
Wendover		
Vista Subdivision 800 North Area, Boulevard	28	7,000 to 12,000 sq. ft.
Mountain Ridge Condominiums 1200 East Wendover Blvd.	14, Phase I	6,000 sq. ft.
Johnson Trailer Park 800 East 600 South	14, Phase I	Double-wide trailers

Source: James A. Wood and city planners

Projected Need for Affordable Housing:

Between 1999 and 2004 the number of low income households owning homes will increase by about 20 percent and the number of renters 16 percent. These growth rates are based on projections for total

population and households in Tooele County made by the Governor's Office of Planning and Budget. The existing ratios of low income owners and renters were applied to the projected number of households. The projected need for affordable housing by housing type and income group is shown in Table 5.

Table 5, Change in the number of low income households in Tooele County.

Type	At or below 80% AMI		Change in households	At or below 50% AMI		Change in households
	1999	2004		1999	2004	
Homeowners	2,907	3,477	570	1,365	1,634	269
Renters	1,785	2,085	300	1,106	1,292	186
Special Needs						
Elderly Handicapped	50	60	10	30	36	6
Non Elderly Handicapped	60	72	12	30	36	6
Senior Renters @ 60 AMI	195	235	40	--	--	--



TOOELE COUNTY Demographic Profile 1999	
Category	Number
Population	40,113
Households	13,058
Household size	3.07
Median Income for Four Person Household	\$47,600
Special Needs	
Number of Elderly Handicapped	220
Number of Elderly Handicapped @ 80% AMI	50
Number of Elderly Handicapped @ 50% AMI	30
Number of Non-elderly Handicapped	118
Number of Non-elderly Handicapped @ 80% AMI	60
Number of Non-elderly Handicapped @ 50% AMI	30
Number of Senior Households Renting	320
Senior Renters below 60% of AMI	195

Summary and Conclusion

Tooele County and the seven municipalities within the county can be separated in two distinct groups: those communities that share rapid growth in population and housing-unincorporated Tooele County, Tooele City and Grantsville and those small generally agricultural communities that have had little increase in housing activity in the 1990s-Wendover, Stockton, Rush Valley, Ophir and Vernon.

The high growth communities have experienced extraordinary levels of new residential construction activity. For example, over the past three years, Tooele City ranks third among all cities in the state in residential building activity. There have been over 1,800 new residential units built in the city since 1996. The only cities with greater construction activity-West Jordan and Draper-are much larger cities. For the county, new residential construction has added about

5 to 6 percent to the housing inventory each year. Another measure of the magnitude of new housing activity is the median age of new single-family homes. In unincorporated Tooele County more than half of all homes were built in the 1990s. The median age of all homes is 9 years. The median age for homes county-wide is 20 years.

The principal force behind the construction boom in Tooele County and more specifically Tooele City, Grantsville, Stansbury Park and Lake Point, is the economic growth of the Salt Lake County. An expanding Salt Lake economy drove land and housing costs up precipitously, in the county, in the 1990s. Consequently Tooele County, with an abundance of “developable” land at relatively low cost, prospered from the high cost of housing in Salt Lake County. In a very short period of time, high cost housing in Salt Lake County has done more for the Tooele economy than 50 years of federal government presence at Tooele Army Depot and Dugway Proving Grounds.

Home buyers are attracted to Tooele County because of price. Salt Lake homes have a 30 to 40 percent premium over similar homes in Tooele County. The average price of homes sold in Salt Lake County in the past year was \$175,000 compared to the average price for a home sold in Tooele County of \$128,000. In the metropolitan area, Tooele County is known as a location of affordable housing.

This study provides statistical data that demonstrates the affordability of housing in Tooele County. The study provides relevant housing information in an organized and useful format for Tooele County Housing Authority and the jurisdictions within the county. Throughout the study each housing market is evaluated regarding housing availability, adequacy, affordability and accessibility.

Accessibility of Housing:

The zoning ordinances throughout the cities in Tooele County, generally encourage affordable *single family* homes. There is no evidence of exclusionary zoning for single-family homes in unincorporated Tooele County, Tooele City and Grantsville. In all three areas subdivision have been approved in the past year that have a significant number of lots at 7,000 to 8,000



**TOOELE COUNTY
Housing Profile 1999**

Category	Number
Total Dwelling Units	13,781
Total Vacant Units	822
Occupied Dwelling Units	12,959
Owner Units	10,416
Vacant Units	654
% of Households Owning Homes	75.3%
Renter Units	3,366
Vacant Units	168
Condition and Price of Housing:	
% Owner Occupied Units Built Since 1990	39.6%
Median Age of Owner Occupied Units	20 yrs.
% Renter Occupied Units Built Since 1990	13.5%
Median Age of Renter Occupied Units	32 yrs.
Average Price of Home Sold	\$128,125
Average Rental Rates	
One Bedroom	\$420
Two Bedroom	\$565
Three Bedroom	\$760
Characteristics of Owner Units: (Tooele County Assessor's Data Base)	
Average Value Detached Single-Family Home	\$110,941
Median Value Detached Single-Family Home	\$104,789
% of Single Family Detached Homes with Value Greater than \$150,000	15.7%
% of All Owner Units Single-Family Detached	95.2%
Median Value of Mobile Home	\$71,713
% of All Owner Units Mobile Home	3.2%
Median Value of Modular Homes	\$102,447
% of All Owner Units Modular Homes	1.6%
Subsidized or Assisted Housing Units:	
Rural Development's Low Income Mortgage Assistance Program (502 Loans)	61
UHFA First Time Home Buyer and CHAMP Programs (Low Interest Mortgage Loans) Since 1977	435
Rental Units (Sponsoring Agencies: HUD, UHFA, RD, TCHA)	529



Tooele County Calculation of “Affordable” Home Price for Four Person Household (Assumptions: 10 percent down payment, 30 year mortgage and an interest rate of 8.5 percent)		
Category	80% or Less AMI	50% or Less AMI
Income:		
Annual Median Income	\$47,600	\$47,600
Household Income - Low Income Threshold	\$38,080	\$23,800
Monthly Gross Income	\$3,173	\$1,983
Affordability Limit: Monthly Housing Cost @ 30% of Income	\$951	\$595
Housing Cost:		
Income Available to Meet Monthly Housing Costs	\$951	\$595
Less Cost of:		
Taxes and Insurance	\$120	\$80
Mortgage Insurance	\$37	\$25
Utilities	\$135	\$90
Income Available for Financing Mortgage (Principle & Interest)	\$660	\$400
Maximum Mortgage Loan Income Will Finance	\$86,285	\$52,300
Down Payment (Col. 2 @ 10%, Col. 3 @ 5%)	\$9,587	\$5,800
Price of Home	\$95,872	\$58,100

Source: James A. Wood.

square feet. A few smaller communities are moving toward larger lot sizes due to the constraints of water. There are almost “no large lot barriers” to residential development in Tooele County.

Impact fees do affect the price of housing in Tooele County. The highest cost impact fees are for water. However, impact fees and hook-up fees do not appear to be used to exclude certain types of housing or arbitrarily rise the cost of housing for the benefit of city revenues.

The NIMBY effect, which poses problems for affordable housing in many communities, appears to have little force in Tooele County. Very few single-family subdivisions have been turned down in recent years.

The rental market does not share the same political and regulatory environment as the single-family market. High density rental projects are not encouraged by any community. Tooele City has allowed a few projects recently, which has been sufficient to keep the market in balance, but in the next few years, as demographics bring more young households into the housing market there will be rising demand for rental units in Tooele County. Apartment development requires concentrations of employment and population, therefore the only practical locations for future development is in Tooele City and some areas of unincorporated Tooele County near Stansbury Park or Lake Point.

The housing and real estate markets in Tooele County consistently comply with the Fair Housing Act. The



broad objective of the Fair Housing Act is to eliminate discriminatory practices in housing and provide equal housing opportunities for people in the housing market regardless of race, gender, religion, national origin, family status or disability. To this end, there are several projects in the county targeted for the elderly and handicapped households. New apartment projects are required by state building code to provide handicapped accessible units.

Five- Year Priorities for Affordable Housing:

- (1) Encourage Tooele City and Tooele County to accept the growing need for future high density apartment development (15 units+/- acre). The need will be about 200 units over the next five years.
- (2) Rehabilitation and preservation of existing housing stock, particularly rental units in Wendover and single family units in Stockton, Vernon and Rush Valley.
- (3) Encourage cities to maintain zoning ordinances that provide a full mix of lot sizes, particularly lots at 7,000 to 8,000 square feet.
- (4) Publically assisted housing for the special needs population appears to be sufficient in the near term, concentrate on other low income populations.
- (5) Target affordable housing programs for the *very* low income households. Data show that low income households have “reasonable opportunities” for affordable homes and rental units, whereas *very* low income households often face difficult housings choice and high housing burdens.

