

**TREMONTON CITY CORPORATION
PLANNING COMMISSION
OCTOBER 11, 2022**

Members Present:

Micah Capener, Chairman—excused
Jordan Conrad, Commission Member
Penni Dennis, Commission Member
Paul Fowler, Commission Member
Layne Sorensen, Commission Member—excused
Bret Rohde, City Councilmember
Steve Bench, Zoning Administrator—excused
Manager Warnke, City Manager
Cynthia Nelson, Deputy Recorder

Co-Chairman Fowler called the Planning Commission Meeting to order at 5:30 p.m. The meeting was held October 11, 2022 in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Co-Chairman Fowler, Commission Members Conrad, Dennis (joined via Zoom), City Councilmember Rohde (left at 6:28 p.m.), Manager Warnke, and Deputy Recorder Nelson were in attendance. Chairman Capener, Commission Member Sorensen, and Administrator Bench were excused.

1. Approval of agenda:

Motion by Commission Member Conrad to approve the October 11, 2022 agenda. Motion seconded by Commission Member Dennis. Vote: Chairman Capener – absent, Co-Chairman Fowler – aye, Commission Member Conrad – aye, Commission Member Dennis – aye, Commission Member Sorensen – absent. Motion approved.

2. Declaration of Conflict of Interest: None.

3. Approval of minutes—No minutes to approve at this time.

4. New Business:

- a. Discussion of housing plan – Seth Benson, Zions Public Finance and Sam Taylor (not in attendance), Landmark Design via Zoom

Mr. Benson presented information on the area median income for households in Box Elder County. He also shared demographics and reviewed the population, as well as projected population for Tremonton in 2030 (13,000 people). He went through building permits and how they have been handed out historically. The Commission was shown a map of Tremonton and where homes were located (ranging from \$250,000 to \$750,000). Mr. Benson said there is not much available under \$250,000. When asked how these numbers were collected, Mr. Benson said from the Box Elder County century database.

These are market values in the tax system. Manager Warnke added that those numbers do lag, but they are supposed to be within 10% either direction.

Mr. Benson then reviewed information for Box Elder County from the Department of Housing. He explained average households and annual incomes stating 30% area median income (AMI) would be around \$23,000, 50% AMI would be \$37,000, and 80% is \$59,000. A four-person household is usually what is assumed, but in Box Elder County the average household is 2.94 so we round to a three-person household. Those incomes are divided by 12 to determine monthly income and their housing allowance. We also factor in mortgage rates. For example, someone who is making \$59,000 a year is within the 80% AMI. They can afford a home or debt of \$241,000 with a 4% mortgage. This is where the data comes together to show us what affordable housing we need within Tremonton (a surplus or shortage for each threshold). We also have to anticipate for growth. Manager Warnke said as the report is written it talks about it more as a deficit and we are not sure it is. It is just a matter of how many people fit into those income guidelines and what those homes are being valued at today. An example of that would be a senior citizen who owns their home and has it paid off, but their income is essentially social security. They would fit into a lower income bracket, but already own their house. I wonder if we can make that a bit clearer in the narrative and know the short comings of the data. A substitute for home ownership is renting. In Tremonton there are a lot of townhomes that are sold, but owned by one individual, so especially an apartment complex configured as a townhome. That is a shortfall in the data. We have discussed having the City Council adopt the Good Landlord Program, which is allowed by State code. Landlords would be required to register and manage their units in a way that provides good tenants. They would be more proactive in managing it. If they participate in this program then their fee is reduced, if they do not then they pay their proportionate share for public services and calls to their complex. A side benefit would be to allow us to more readily know how many rentals there truly are in the City. This would help us better understand our housing and rental inventory. We tried to crack through that data, but decided it was too difficult to drill down those numbers for this iteration of the plan. For future iterations the hope is we would have better data.

Manager Warnke said we are required to adopt a plan and report to the State measurable improvements for what the City is doing. It is focused on strategies and how we are making progress. October 1 was the deadline for adoption, but there is a 90-day grace period. I feel we have a good draft plan that is complete and ready to advertise for a public hearing on October 25. We hope the Planning Commission could make a recommendation to the City Council at that same meeting. It would go on the City Council agenda for November 1. Co-Chairman Fowler said I have three things. First, I think there are a lot more rentals than are being reported. Second, we have exploded in the rentals and apartments in the last couple of years. Most of those fall into that category so we are building a disproportionate percentage of them at the moment to fit this median income. That should greatly sharpen the curve as far as lowering the deficient. There is

one thing that bothers me on this whole setup. It focuses on that median and below and the more you focus on that the more of those you are going to build. That will lower the income. You are going to drive that down with so much emphasis on this. It is quite a conundrum the State has given us. Tremonton and Brigham City carry a disproportionate share. No disrespect, but one of my fears is, when you come to Tremonton you will see walls of affordable housing and that is all that will be here. This stuff has a tendency to get way out of control. We are putting thousands of units in right now compared to a few hundred houses. These apartments and rentals are far out pacing standard building. Councilmember Rohde said the strategies they want us to work on just need to show improvement. We do not have to build 500 more housing units—we just need to show that incrementally we are moving toward making sure we are taking care of the low-income housing for our area.

Manager Warnke said they have prescribed 25 strategies to choose from to meet their requirements. Cities must choose at least three, but if they do up to five, they get priority consideration in transportation grants. We have proposed five, which have been discussed in the past. I am a bit concerned about doing five because the reporting requirements are not easy. Manager Warnke then reviewed the five proposed strategies. I support affordable housing because it is needed in our community and society. First, we can demonstrate an investment in the expansion of infrastructure that facilitates the construction of moderate-income housing. We would look at extending sewer and water to areas that do not currently have it. That could be accomplished through RDA funds. We have some money set aside for this specific purpose. If we do extend facilities, we need to demonstrate or ensure that moderate income housing comes from that investment. That would be done through ordinances or pre-annexation agreements. He reviewed a few areas where that could be done and the costs associated with that.

Manager Warnke said the next strategy is creating accessory dwelling units. In a recent legislative session, the State adopted legislation that required cities to allow internal accessory dwelling units. As we continue forward, I could see the legislature requiring detached accessory dwelling units. Co-Chairman Fowler said I recently saw one of those. Someone took a shed and turned it into an accessory dwelling on their place and now rent it for \$2,300 a month. How do you keep that from happening because it defeats the purpose if they are going to be that expensive? I am not one for a lot of regulations, but if we are going to allow that kind of thing there has to be something. I see that as a potential problem. Studies have shown that the more housing we put in on smaller spaces, the higher the cost of that housing actually is. I recently took a tour in a state that does not pack housing in like Utah and the housing is still very affordable and spaced out. Where housing becomes denser the prices shoot up exponentially. Manager Warnke said when we are creating moderate-income housing, we can have deed restrictions. It is hard to control the market and some of those will be what the market will bear. I do not have an easy answer. One concern about accessory dwelling units is having adequate parking, too. We have a lot of small lots in town. There are some things we definitely need to

work through. We are required to adopt the strategies and report to the State. The devil is in the details. We can have a great idea, but when we get down to implementing that is when we start to see some of these unintended consequences, which are always a part of the planning process. We just have to do our best to plan and use foresight, but always corrective hindsight that comes into the planning process. Every year we will evaluate how the strategy is working or not. The State gave some flexibility and we will adjust as needed.

Manager Warnke said the next is developing and rezoning higher density for moderate income residential, commercial, and mixed uses. The downtown area is pretty much built out, but there are a few isolated buildings that could be redeveloped for moderate income housing. Most of these large complexes are going to be in the commercial highway districts. For example, the Taylor's property on the west side of town, which is 70 acres adjacent to Main Street would work. Some higher density in that location makes sense since it is close to the interstate and businesses. There is a good road network to distribute that traffic.

Another strategy is to implement mortgage assistance for public employees said Manager Warnke. This is something that could potentially help the City in recruiting and retaining employees. We would visit with BRAG, our housing authority, to see how they can help. This could be funded through RDA funds or a fee in lieu provided by developers.

Manager Warnke said the last strategy talks about adopting land use ordinance that requires 10% or more of new development in residential zones to be dedicated for moderate income housing. The irony is someone will pay those costs and it is going to be the people who buy those homes. That raises everyone else's housing prices to subsidize those that need it. The State feels that is an appropriate approach. In some ways it makes sense, because in these areas we can ensure affordable housing with deed restrictions or taking more of a regulatory role in some of these developments. It is easier to do at this level. Those are the five we have targeted and feel are the best matches for the City. That is part of your recommendation and consideration.

Commission Member Conrad asked about the fourth strategy and the scope of employees that would include. Manager Warnke said it is more for public employees. If we do use the RDA funds, that is through the taxing entities participating. They would elect to forgo collecting taxes in favor of the RDA receiving it. We could include the school district and Tremonton City in this program and spread our funds out further. We could also do fees we gathered through development. Developers would pay a fee in lieu if they do not want to provide affordable housing in their development. Employees who benefit from this would be deed restricted and when they sold the property a portion of the proceeds would go back to fund the program for future employees. Commission Member Dennis said will this be detrimental to some of our developers, requiring the 10% or to pay a fee? Manager Warnke said whatever costs are in the development cost just get passed to the

homeowners. Other cities have to abide by these strategies and I foresee this being a popular one. I think developers will be familiar with this requirement and in the end the homeowner would pay for it.

Manager Warnke said affordable housing can be attractive we just have not seen much in Tremonton. I feel there are ways and I hope the market and developers become more sophisticated in how they develop. Tremonton can be more proactive in encouraging more attractive moderate-income housing. There are things we can do as a Planning Commission and City to raise the bar without raising expenses. I think trees are a part of the answer. They can obscure and screen the area. They also break up elevations that are monotonous. I feel comfortable with what is being included in the plan. We want to work through any questions or issues you have and plan to do the public hearing on October 25, where you would make a recommendation to the City Council.

5. Planning commission comments/reports: None.

6. Adjournment

Motion by Commission Member Dennis to adjourn the meeting. Motion seconded by consensus of the Board. The meeting adjourned at 6:43 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes of the Planning Commission held on the above referenced date. Minutes were prepared by Jessica Tanner.

Dated this 13th day of December, 2022.

Linsey Nessen, CITY RECORDER

*Utah Code 52-4-202, (6) allows for a topic to be raised by the public and discussed by the public body even though it was not included in the agenda or advance public notice given; however, no final action will be taken.