

## RESOLUTION NO. 24-10

### A RESOLUTION OF TREMONTON CITY CORPORATION APPROVING AMENDMENTS TO THE MODERATE INCOME HOUSING STRATEGIES CONTAINED IN THE TREMONTON CITY & TREMONTON CITY RDA 2022 MODERATE INCOME HOUSING PLAN AS AN ELEMENT OF THE TREMONTON CITY GENERAL PLAN

**WHEREAS**, the Tremonton City Council and Tremonton City Redevelopment Agency are committed to facilitating a variety of housing options for the existing and future citizens of the City, which includes housing options that are affordable for low to moderate-income individuals and families; and

**WHEREAS**, Moderate Income Housing means housing occupied or reserved for occupancy by households with a gross household income of less than eighty percent (80%) of the Area Median Income (AMI) of the rural statistical area for households of the same size; and

**WHEREAS**, eighty percent (80%) of the Area Median Income (AMI) for Tremonton City, Box Elder County, in 2022 is estimated to be \$59,700 per household (based upon a three-person household); and

**WHEREAS**, the State of Utah Legislature is also committed to facilitating affordable housing options for the citizens of Utah and, to this end, has statutory requirements contained in Utah Code 10-9a-403 require cities to adopt Moderate Income Housing Plans as an element of the City's General Plan; and

**WHEREAS**, as part of creating a Moderate Income Housing Plan as an element of the City's General Plan, the City is required to select three Strategies contained in Utah Code 10-9a-403(2)(b)(i); and

**WHEREAS**, Utah Code 10-9a-408 requires that the City report on its progress in implementing its moderate-income housing strategies contained in the *Tremonton City & Tremonton City Redevelopment Agency 2022 Moderate Income Housing Plan* to the Housing and Community Development Division of the Department of Workforce Services (hereafter "Division"); and

**WHEREAS**, as part of *Tremonton City & Tremonton City Redevelopment Agency 2022 Moderate Income Housing Plan*, the City has selected the following three Strategies as required by Utah Code 10-9a-403(2)(b)(i); and

- Strategy B: Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate-income housing.
- Strategy E: Create or allow for, and reduce regulations related to, internal or detached accessory dwelling units in residential zones.

- Strategy N: Implement a mortgage assistance program for employees of the county/municipality, an employer that provides contracted services for the county/to the municipality, or any other public employer that operates within the county/municipality.

**WHEREAS**, on December 5, 2023, the City Council adopted Ordinance No. 23-09, creating Accessory Dwelling Unit regulations by adopting Chapter 1.21 Accessory Dwelling Units of the Tremonton City Land Use Code and has completed Strategy E; and

**WHEREAS**, in preparing the required annual report for August 1, 2023, City staff identified that some of the City's selected implementation Strategies contained in the 2022 Moderate Income Housing Plan are beyond the City's ability to implement independently and require the City to find capable and willing partners; and

**WHEREAS**, finding willing and capable partners is a barrier to implementing some of the City's selected moderate-income housing Strategies; and

**WHEREAS**, regardless of the identified barriers, Utah Code requires that the Division decide if Tremonton City complies with Utah Code and the City's Moderate Income Housing Plan; and

**WHEREAS**, if the Division, after reviewing Tremonton's annual report, determines that the report does not comply with the Utah Code or the City's Moderate Income Housing Plan, the Division shall send a notice of noncompliance to the City Council along with a period to cure the noncompliance; and

**WHEREAS**, beginning in 2024, Utah Code requires Tremonton City to pay a fee to the Olene Walker Housing Loan Fund of \$250 per day and in 2025, a fee of \$500 per day in a consecutive year, beginning the day after the day by which the cure was required to occur as described in the notice of noncompliance sent to the City Council; and

**WHEREAS**, to ensure that the City avoids paying fees to the Olene Walker Housing Fund, the City must amend its Moderate Income Housing Plan to select other Strategies for the City to make progress toward implementation and remain in compliance with Utah Code; and

**WHEREAS**, the Planning Commission posted notice of a public hearing regarding the amending the Strategies contained in the *Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan* Moderate Income Housing Plan and conducted a public hearing on January 9, 2024, to take public input regarding the same; and

**WHEREAS**, the Planning Commission has considered all written and oral statements made at the public hearing objecting to or supporting to amend the Strategies contained in the *Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan* and recommends that the City Council adopt the said plan as proposed; and

**WHEREAS**, the City Council has reviewed the final recommendation from the Planning Commission to amend the Strategies contained in the *Tremonton City & Tremonton*

*City RDA 2022 Moderate Income Housing Plan.*


**NOW THEREFORE BE IT RESOLVED** that the Tremonton City Council hereby adopts Resolution No. 24-10 amending the Strategies contained in the *Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan* as attached in Exhibit “A” as part of the City’s General Plan.

**FURTHER, BE IT RESOLVED** that an electronic copy of the amended *Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan* is hereby ordered to be filed with the Bear River Association of Governments and the Housing and Community Development Division of the Utah Department of Workforce Services and posted on the Tremonton City website.

If any of the sections, sentences, clauses, or provisions of this Resolution shall, for any reason, be adjudged inapplicable or invalid by a court of competent jurisdiction, such shall not affect or invalidate the remaining portion contained herein.

Adopted and passed by the Tremonton City Council this 16<sup>th</sup> day of January 2024.

TREMONTON CITY  
A Utah Municipal Corporation

  
By: Lyle Holmgren, Mayor

ATTEST:

  
Linsey Nessen, City Recorder



## EXHIBIT "A"

# Update to Moderate Income Housing Strategies

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In 2024, Tremonton City has elected to revise the moderate-income housing strategies selected from Utah code 10-9a-403(2)(a)(iii), to create a more responsive plan for current needs. From the strategies selected in 2022, Strategy E was completed with the adoption of an Accessory Dwelling Ordinance in December 2023. Strategies B and N failed to make significant progress, largely due to the reliance on third parties for these strategies to be fulfilled. As such, the City has selected this new list of strategies to replace those selected in 2022, including specific measures and benchmarks for implementation, as follows:

Strategy C: Demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate income housing.

The Tremonton Redevelopment Agency (RDA) has historically partnered with Neighborhood Housing Solutions, a nonprofit, to administer the Northern Utah Neighborhood Improvement Project (NUNIP) that makes improvements to homes owned by low to moderate-income individuals. The City desires to see ongoing improvements of these homes owned by moderate income households, and the RDA contributed \$50,000 in Phase 6 and will contribute \$20,400 in Phase 7 to match federal grants as part of the program. As part of the NUNIP, each home selected for improvement will receive up to \$15,000 in Phase 6 and up to \$17,000 in Phase 7, to be used for various rehabilitation projects including roofing, windows, and siding.

### Implementation Measures:

- Contribute matching grant money from the Tremonton RDA to fund Phase 6 of the neighborhood improvement program (NUNIP). (Completed in May 2023, Tremonton City RDA adopted Resolution No. RDA 23-06 authorizing use of RDA funds for Phase 6)
- Contribute matching grant money from the Tremonton RDA to fund Phase 7 of the neighborhood improvement program (NUNIP). (Anticipated completion: February 2024)
- Submit annual report to the Housing and Community Development Division of the Department of Workforce Services regarding the status of this strategy (Completed: before August 1<sup>st</sup>, with Landmark Design assisting with the implementation of this measure).
- The Tremonton City RDA will receive a report from Neighborhood Nonprofit Housing Corporation (NNHC) on completed projects at the finish of each phase (Anticipated completion: July 2024 for Phase 6 and July 2025 for Phase 7).
- Tremonton City shall evaluate the implementation measures for this strategy and shall make adjustments as needed and permitted by Utah Code 10-9a-403(2)(c)(ii)(B). (Annually between July 1<sup>st</sup> and October 1<sup>st</sup> starting in 2025 with Landmark Design assisting with this evaluation).

Strategy L: Reduce, waive, or eliminate impact fees related to moderate income housing.

To promote the construction of moderate-income housing, the City desires to further incentivize the construction of these housing units by eliminating impact fees related to moderate-income housing. This will be accomplished by the use of Tremonton Redevelopment Agency (RDA) funds which are restricted for moderate-income housing to pay for impact fees on a building permit-by-building permit basis.

Implementation Measures:

- Create and adopt an RDA resolution wherein the RDA pledges funds restricted for moderate-income housing to pay the City's impact fees for moderate-income housing. (Anticipated completion: July 1<sup>st</sup> 2024, with the RDA Attorney being tasked with drafting the RDA Resolution).
- Submit annual report to the Housing and Community Development Division of the Department of Workforce Services regarding the status of this strategy (Completed: before August 1<sup>st</sup>, with Landmark Design assisting with the implementation of this measure)
- Tremonton City shall evaluate the implementation measures for this strategy and shall make adjustments as needed and permitted by Utah Code Utah Code 10-9a-403(2)(c)(ii)(B). (Annually between July 1<sup>st</sup> and October 1<sup>st</sup> starting 2025, with Landmark Design assisting with this evaluation).

Strategy R: Eliminate impact fees for any accessory dwelling unit that is not an internal accessory dwelling unit as defined in Section 10-9a-530.

Tremonton City recently adopted a new ordinance regulating Accessory Dwelling Units (ADU) in December 2023. While this ordinance does not require impact fees for internal ADUs, they are required for attached and detached ADUs. To further promote ADU construction in the City by removing barriers to entry, the City proposes to amend the ADU ordinance to eliminate these required impact fees, paying for them instead with Tremonton Redevelopment Agency (RDA) funds that are restricted for moderate income projects.

Implementation Measures:

- Create and adopt an RDA resolution wherein the RDA pledges funds restricted for moderate-income housing to pay the City's impact fees for accessory dwelling units. (Anticipated completion: July 1<sup>st</sup>, 2024, with the RDA Attorney being tasked with drafting the RDA Resolution).

- Submit annual report to the Housing and Community Development Division of the Department of Workforce Services regarding the status of this strategy (Completed: before August 1<sup>st</sup>, with Landmark Design assisting with the implementation of this measure)
- Tremonton City shall evaluate the implementation measures for this strategy and shall make adjustments as needed and permitted by Utah Code Utah Code 10-9a-403(2)(c)(ii)(B). (Annually between July 1<sup>st</sup> and October 1<sup>st</sup> starting 2025, with Landmark Design assisting with facilitating this evaluation).

## Strategies for Further Exploration

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In addition to the selected strategies described previously, Tremonton City has identified a shortlist of other strategies from Utah Code 10-9a-403(2)(a)(iii), which may be well-suited for consideration for formal addition in future updates to this plan.

Strategy B: Demonstrate investment in the rehabilitation or expansion of infrastructure that facilitates the construction of moderate-income housing.

Unlike most cities on the Wasatch Front, which are approaching build-out, Tremonton still has a significant amount of open land that may be utilized for residential construction, either within current City boundaries or the declared annexation area. To assist in the creation of moderate-income housing, the City could extend utilities to these undeveloped areas as an incentive for developers to construct moderate-income housing. In return, developers would be required to set aside a minimum of 10percent of new units as moderate-income housing.

Strategy B was originally adopted as an official strategy in the *Tremonton City & Tremonton City RDA 2022 Moderate Income Housing Plan*, but was removed due to difficulty in implementation coordinating with third parties. Tremonton City would like to continue to explore this housing strategy and look for moderate income housing projects to help facilitate with the expansion of infrastructure.

Strategy D: Identify and utilize general fund subsidies or other sources of revenue to waive construction related fees that are otherwise generally imposed by the municipality for the construction or rehabilitation of moderate-income housing.

Tremonton City has continued to see measured growth in construction of new housing within the city in the recent past. However, as recent inflation has continued to increase the costs of construction materials and labor, keeping housing prices obtainable for moderate income households continues to be a challenge. The City has seen a recent decline in the number of building permit applications and desires to do its part to keep housing affordable to moderate-income residents. To this end, the City has identified a few currently required fees for new development applications collected as revenue in the City's General Fund which may be waived or paid to the City's General Fund through the use of the Tremonton Redevelopment Agency (RDA) funds that are restricted for moderate-income housing projects. These include development review fees related to permits and applications, as well as fees-in-lieu for street improvements or other exactions. In creating a resolution that would waive such fees, the requirement would be that at least 10-percent of constructed housing meet moderate-income requirements.



Strategy I: Amend land use regulations to allow for single room occupancy developments.

Tremonton City recently approved the conversion of a former nursing home in its Downtown area (Central Development Zone) to become a single-room occupancy (SRO) development. More specifically, the Bear River Manor has approximately thirty (30) SRO units at affordable rental rates and has been generally considered to be a success. SRO is a form of housing that is typically aimed at residents with low or moderate incomes or single adults who prefer a minimalist lifestyle. SRO units are rented out as permanent residences and/or primary residences to individuals within a multi-tenant building where tenants share a kitchen, toilets, or bathrooms. Typical SRO units range anywhere from 80 to 500 sq ft. In some instances, contemporary units may have a small refrigerator, microwave, or sink.

The SRO housing type may be of special benefit to Tremonton residents in a life transition, and is particularly suited to the Downtown area as part of creating a walkable self-supporting neighborhood. For these reasons, the zoning for the Downtown area is proposed to be amended to expand the opportunity for single-room occupancy developments.

Strategy M: Demonstrate creation of, or participation in, a community land trust program for moderate income housing.

The organization of a community land trust program in Tremonton could have the potential to create moderate-income housing in perpetuity by establishing a nonprofit corporation charged with the acquisition, construction, and maintenance of affordable housing property. As a separate entity from the City, the challenges in creating such a program include the legal creation of the entity and provisions for ongoing funding. The City might look to other successful programs as examples and consider whether a similar program would be worth implementing.

Strategy N: Implement a mortgage assistance program for employees of the county/municipality, an employer that provides contracted services for the county/to the municipality, or any other public employer that operates within the county/municipality.

The City values the role of essential public employees, including firefighters, police officers, teachers, public work employees, administrative staff, and others. To assist with essential public employee recruitment and retention, a mortgage assistance program will be developed to help qualifying moderate-income public employees to secure housing in Tremonton. This program would 1) give priority to public employees seeking a first-time home buyer loan through the local housing authority and 2) task the City's R.D.A. to construct and/or support the construction of moderate-income housing units specifically reserved for purchase by public employees. Employees would be eligible to participate in a waitlist/lottery process to receive prioritization for purchasing these housing units.



These units would be deed-restricted, returning equity gained from the sale back to the City's R.D.A. with earmarks on developing additional moderate-income units for other qualifying public employees.

Strategy N was adopted as an official strategy in the *Tremontton City & Tremontton City RDA 2022 Moderate Income Housing Plan*. The City has had ongoing discussions with Neighborhood Nonprofit Housing Corporation (NNHC) to create and manage a mortgage assistance program on behalf of the City. NNHC had made some progress on drafting the documents necessary to create the program, but has not completed the work necessary to implement this program. Tremontton City has decided to select another housing strategy that it can work on independently but will continue to work with NNHC to bring this program to fruition.

Strategy W: Create or allow for, and reduce regulations related to, multifamily residential dwellings compatible in scale and form with detached single-family residential dwellings and located in walkable communities within residential or mixed-use zones.

Tremontton City has the opportunity for residential infill within existing neighborhoods that may help meet future goals for moderate-income housing. However, in order to become a reality, these infill projects will likely need to be multi-family residential dwellings. This strategy represents an opportunity to establish "missing middle" housing in established neighborhoods while being sensitive to neighborhood character. In potentially amending zoning ordinances to allow for such development, model aspirational multi-family housing building plans and/or development standards might be introduced as part of the amendment to guide the creation of desirable outcomes for these infill developments. The City could also potentially use RDA funds to assist in the creation of a model catalytic project.

Strategy X: Demonstrate implementation of any other program or strategy to address the housing needs of residents of the municipality who earn less than 80% of the area median income, including the dedication of a local funding source to moderate income housing or the adoption of a land use ordinance that requires 10% or more of new residential development in a residential zone be dedicated to moderate income housing.

Significant future growth is anticipated in Tremontton in the coming years, adding new neighborhoods through large-scale residential development. In an effort to distribute affordable housing throughout the City equitably, this strategy would aim to set aside moderate-income housing units in larger greenfield developments. The City could work with Neighborhood Non-Profit, Habitat for Humanity, or others. With the use of this strategy, new developments larger than a certain number of acres and/or a certain number of units would be required to dedicate a minimum of 10-percent of their development to a community trust for affordable housing, or to pay a fee-in-lieu to the same authority.