



SMITHFIELD CITY PLANNING COMMISSION MINUTES March 19, 2025

The Planning Commission of Smithfield City met in the City Council Chambers at 96 South Main, Smithfield, Utah, at 6:30 p.m. on Wednesday, March 19, 2025

Members Present: Jamie Anderson, Bob Holbrook, Klydi Heywood, Jim Marshall, Chris Olsen, Sarah Price, Brad Thatcher

Members Excused: Lazaro Soto

Alternate Members Present: Lane Henderson

City Staff: Brian Boudrero, McKenzie Nelson

Others in Attendance: Jeff Barnes, Caralee Stokes

6:30 p.m. Meeting called to order by Chairman Anderson

Welcome to the new Planning Commission members Brad Thatcher, Klydi Heywood, and Lane Henderson.

Consideration of consent agenda and approval of meeting minutes

After consideration by the Commission, Chairman Anderson declared the minutes from the February 19, 2025, meeting to stand as submitted, with a minor correction by Commissioner Olsen, who asked that Debbie Zilles' name be added to his comment regarding the minutes.

RESIDENT INPUT

No comments.

AGENDA ITEMS

Introduction and **Public Hearing** for the purpose of discussing Ordinance 2025-06, an Ordinance providing for the imposition of owner occupancy covenants as part of the rezoning process by adding in its entirety in Title 17 "Zoning Regulations", Chapter 17.130 "Restrictions For Owner Occupancy", Sections 17.130.010 "Purpose", 17.130.020 "Definitions", 17.130.030 "Authority To Require Owner Occupancy Covenants", 17.130.040 "Owner Occupancy Covenants", and 17.130.050 "Penalties".

6:35 p.m. Public Hearing Opened

There were not any comments or questions.

6:36 p.m. Public Hearing Closed

Discussion and possible vote on Ordinance 2025-06

Commissioner Marshall pointed out that this Ordinance would create specific provisions in the code. He wants to step back for a minute and discuss the problem that is trying to be solved by this proposal. He emailed a PowerPoint presentation before the meeting and recapped the information. He thinks the problem is when developers build entry-level housing, investors outbid families for that housing stock and then they can be rented out, which dilutes the home ownership in the city and causes rental prices to increase. There seems to be a cascade of challenges that follow when there are a lot of rentals. During his time on the Planning Commission he has heard that the City has too many rental properties and/or not enough rentals. He has been thinking about how much home ownership there should be and if there is a good rule of thumb. His research found that a suburb with a homeownership rate of 70% or greater is good. In urban settings, 40-60% of housing stock rentals tend to work better because they cater to a different demographic. If homeownership is too low, neighborhoods tend to be less stable. If homeownership is too high and there are not enough rental properties, it could preclude a whole demographic. There tends to be a “sweet spot” for homeownership. The nationwide average is 67%; in Utah, it is 70%; in Logan, it is 65% (lowest in the state); and in Smithfield is 80%. This data shows that the city is not saturated with rental units. The city could probably tolerate more rental units and not be overloaded. The question is whether the homeownership rate is that critical to Smithfield. He said another way to look at the problem is by age demographics. A healthy community maintains an intergenerational mix. He found that Smithfield is “more Utah than Utah” during his research. The city has a high concentration of young families (5-10 points higher than the national average and 5 points higher than the Utah average). Smithfield has done a good job of attracting young families to invest in the community. This will build a strong demographic moving forward. There is concern that families are being priced out of entry-level housing stock. He thinks this ordinance might be partly trying to solve that problem; however, he has questions about when, where, and how to apply it consistently. He would like to discuss this topic more broadly and look at other ways to address the affordability problem.

Commissioner Olsen said there are statistics on how many rentals are available, and there might be some that are being rented that are not included in the numbers. Compared to other cities of the same size, Smithfield seemed to have a high percentage of rentals. Commissioner Marshall said he pulled his information from census data. Commissioner Olsen noted that if the statistics are inaccurate, it is harder to make decisions based on perception.

Commissioner Price wonders if the trend of younger people renting is based on the fact that they cannot afford to buy or if they prefer renting and the amenities that come with that. Most people in Utah seem to want to purchase homes; however, some want less responsibility. Commissioner Heywood said this is an excellent point because significant city trends leak out to smaller communities. She thinks it is vital to get ahead of this. Kem C. Gardner Policy Institute stated that “*investors represent less than 3% of our current single-family rental stock*”. This is not an issue yet, but this Ordinance seems great to set as a guardrail moving forward. If it is adopted, she hopes each request will be looked at on a case-by-case basis. Statistically speaking Smithfield is short on rentals. Future

generations may have different desires, and this is something that should be considered in moderation.

Commissioner Holbrook cautioned telling people what they can and cannot do with their property, and he is afraid this might be heading down that road. He also questioned whether the city would require this or whether it would be an option for developers. If the City Council begins to require this, he will have concerns.

Chairman Anderson pointed out that in the proposed Section 17.13.030, "...*the City Council may require the owner of the property to record Owner Occupancy Covenants that meet the requirement of this Chapter on title to the property.*" This creates a situation where one person may be allowed one thing, and another may be held to a different standard. If it will be enforceable, it should use the word "shall."

Commissioner Heywood asked for a better understanding of why recording it on the title would be a negative issue. Commissioner Olsen said the City Council would have to make the decision at the time of the rezone request and it might not make it feasible in all situations. There needs to be trust in the City Council that they see a need for this; providing them with this ability is valuable. He said that by the way some developments are being set up; you can tell that they will be purchased by an investor and rented out, which seems to be the recent trend. Mr. Boudrero asked about Commissioner Olsen for the reference of the trend he referred to. Commissioner Olsen said he has spoken to some of the people doing the recent developments but he does not have a documented reference. It would be a good idea to start gathering and documenting the information.

Commissioner Holbrook suggested basing this on percentages so it is not a hard and fast rule in all situations.

Chairman Anderson said this applies to dwelling units which include apartments. He does not see how apartments would not be used as rentals. If this is adopted, it may preclude building in Smithfield based on the restrictions about who someone can sell to. Commissioner Thatcher also said that is his concern and how it would apply to multi-family developments.

Mr. Boudrero noted that there is nothing similar to this ordinance in Cache Valley. The proposal states that the City Council could deny a rezone if the owner did not want to include this.

Chairman Anderson used the example that if his home was in a deed-restricted area and he had to sell it, if the top offer came from an investor intending to purchase and rent it out, he would have to accept a lesser offer from an individual who would own/occupy the home due to this restriction. It does not make sense. He was also concerned about how this would stand up to a legal challenge (e.g., a minority or woman-owned business that claims discrimination) and who would pay for the legal costs for the city to defend the Ordinance. He does not think the government should mandate who can and cannot buy homes.

Commissioner Heywood asked if things could be changed to help this type of Ordinance. Chairman Anderson said there are too many loopholes, and it is wrong to mandate who a property should be sold to.

Commissioner Holbrook thinks this is too close to the edge of telling a property owner what they can and cannot do with their property. It seems like government over-reach. Chairman Anderson asked how it would be enforced. Mr. Boudrero said verbiage would need to be added that an HOA (Homeowner's Association) would be entirely responsible for tracking the information. The City can enforce/fine the offender, but insufficient staffing exists to manage that end. Commissioner Price noted that it may increase HOA fees. Mr. Boudrero said Park City, Salt Lake City, and Heber are some areas with similar ordinances.

Commissioner Marshall understands the pros of this type of proposal; however, he has many of the same concerns that Chairman Anderson voiced. He does not know how it could be administered consistently without being capricious. Restricting selling conditions could hurt the real estate market. The only time he could imagine applying something like this would be a government-subsidized housing development, where one of the stated purposes of the subsidy was to encourage homeownership. Chairman Anderson said this has been done with the Neighborhood Non-Profit Housing developments. Commissioner Marshall asked if there were any provisions on homeownership. Mr. Boudrero does not know the specific details of the program, but because homeowners use sweat equity to build their homes, he believes that they would initially be owner-occupied.

Mr. Boudrero said a condition cannot be set if it is not in the municipal code. Commissioner Holbrook said conditions should not be set arbitrarily either. This could create some problems and leave the city open to possible liability.

Commissioner Marshall said the General Plan is progressing at a measured pace. He would like to get the Commission into conversations about the context of the General Plan and broader policy options to help address this important problem.

Mr. Boudrero pointed out that affordable housing is a very real concern. The State of Utah mandates cities to have a Moderate-Income Housing Plan outlining strategies to help solve this issue. Commissioner Marshall has been following the state's actions and believes many things do not fit Smithfield. He disagrees with many of their assertions of facts as ways of supporting the policies they are promoting. He would like to have these discussions, examining the assertions and objectives and assessing how well they apply in Smithfield. He has been trying to determine how their requirements will contribute to a solution. Mr. Boudrero said the only way that will change is by having conversations with legislators. Chairman Anderson asked if a political representative could be invited to a future meeting to have a discussion.

Chairman Anderson noted that the City has to file the Moderate-Income Housing Plan listing strategies, objectives, actions, and timelines each year. In that plan, the city develops provisions that they believe will help with affordable housing. Mr. Boudrero confirmed that this is a long and arduous process. The alternatives chosen to be included in the plan must be approved and accepted by the state. This Ordinance, if approved, might be eligible to be one of the objectives. Chairman Anderson encouraged all members to review and become familiar with the document.

MOTION: Motion by Commissioner Price to recommend denial to the City Council for Ordinance 2025-06, an Ordinance providing for the imposition of owner occupancy covenants as part of the rezoning process by adding in its entirety in Title 17 “Zoning Regulations”, Chapter 17.130 “Restrictions For Owner Occupancy”, Sections 17.130.010 “Purpose”, 17.130.020 “Definitions”, 17.130.030 “Authority To Require Owner Occupancy Covenants”, 17.130.040 “Owner Occupancy Covenants”, and 17.130.050 “Penalties”. Commissioner Holbrook seconded the motion. Motion for denial approved (5-2).

Vote:

Yes to Deny: Anderson, Heywood, Holbrook, Price, Thatcher

No to Deny: Olsen, Marshall

Absent: Soto

Commissioner Marshall would like to have some discussions with the City Council to find out their thoughts. There needs to be a typical frame of reference for working together. He thought the General Plan process would invite that type of venue but does not know if that would be practical or feasible.

Mr. Boudrero provided an update on the General Plan. A draft version is almost ready to go to the General Plan Steering Committee. They are working on some mapping systems. Once the Steering Committee reviews the plan, it will work through the commission and council process for review and approval.

Commissioner Olsen asked if it might be possible to have a combined meeting with the City Council to discuss important topics. Commissioner Marshall said there was a combined workshop with the Council when he was on the commission 20 years ago. It might be good to have all members come together to discuss ideas and be willing to work together for the benefit of the City. Commissioner Olsen said that part of being appointed to the commission is supporting the city council, so learning and understanding their objectives is essential.

Commissioner Marshall said three specific topics would be germane to a workshop with the Council that include: approach to housing issues, the proposed inland port in Hyde Park and how that might affect Smithfield especially in regard to transportation planning, and high-density housing going in on the south edge of town east of Lee’s Marketplace and how that will be integrated into the community to ensure it does not become blighted as the housing stock ages. His experience has been that sometimes applications catch the city off guard unless the issue has been planned for and addressed in the General Plan. The ideas of the General Plan are then included in ordinances.

MEETING ADJOURNED at 7:23 p.m.

Jamie Anderson, Chairman



**SMITHFIELD CITY
CORPORATION
96 South Main
Smithfield, UT 84335**

AGENDA

Public notice is given that the Smithfield Planning Commission will meet in a regularly scheduled meeting at 96 South Main, Smithfield, Utah on Wednesday, March 19, 2025. The meeting will begin at 6:30 p.m.

Welcome/Pledge of Allegiance and/or thought/prayer

1. Approval of Planning Commission Meeting Minutes from February 19, 2024.
2. Resident Input
3. Introduction and Public Hearing for the purpose of discussing Ordinance 2025-06, an Ordinance providing for the imposition of owner occupancy covenants as part of the rezoning process by adding in its entirety in Title 17 "Zoning Regulations", Chapter 17.130.010 "Purpose", 17.130.020 "Definitions", 17.13.030 "Authority to Require Owner Occupancy Covenants", 17.130.040 "Owner Occupancy Covenants", and 17.130.050 "Penalties".
4. Discussion and possible vote on Ordinance 2025-06.

Adjournment

*****Items on the agenda may be considered earlier than shown on the agenda*****

In accordance with the Americans with Disabilities Act, individuals needing unique accommodation for this meeting should contact the City Recorder at (435) 792-7997 at least three (3) days before the date of the meeting.