

SOUTH JORDAN CITY
CITY COUNCIL STUDY SESSION

July 7, 2015

Present: Mayor David Alvord, Councilman Steve Barnes, Councilman Chris Rogers, Councilman Mark Seethaler, CM Gary Whatcott, Attorney Steven Schaefermeyer, Development Services Director Brad Klavano, Administrative Services Director Ryan Loose, IT Director John Day, City Council Secretary MaryAnn Dean

STUDY SESSION - 4:00 PM

EXECUTIVE CONFERENCE ROOM

A. Invocation: *By Mayor David Alvord*

Mayor Alvord offered the invocation.

B. Report: By Robert McKinley – UTA Representative

Robert McKinley was introduced. He gave his background credentials. He reviewed some UTA issues that involve South Jordan including the circulator study with Sandy, and issue with the extension of Trax for Daybreak in terms of the alignment of that line, the consideration of a mass transit bus route along Redwood Road from Salt Lake to South Jordan. The mass transit bus route is in the conceptual stage at this time. There is also an issue with UTA's position in contributing to the development for the South Jordan TOD station. He said UTA wants to make something happen there. There are some financial issues, and they are more cautious moving forward given last year's audit.

Mayor Alvord said CM Whatcott pushed to make sure they have the right alignment for the Daybreak trax extension. He said regarding the TOD development, there is some knowledge presented that UTA had committed to invest in that site. They want to help UTA fulfill their commitment. Mr. McKinley said they are not sure anyone knows what the commitment was. There is a meeting scheduled with UTA and CM Whatcott next week to go over those issues.

CM Whatcott complimented Robert McKinley for his service on the UTA Board.

Councilman Seethaler asked how much of the problem and solution is political versus financial? How much is the will to get something done? Mr. McKinley said part of the issue is that UTA staff are professionals in their niche. They are not politically savvy and they need more communication. He said the UTA Board meets monthly. He feels the Board is good.

Councilman Rogers said he believes the TOD won't happen without UTA's contribution. He said regarding the trax extension, when will the final line be approved and when will construction be? Mr. McKinley said he would get back to them with an answer. CM Whatcott

said there is a tentative alignment. There is some public scoping to be done. The study will be done in the next year or so. There is no funding for the project yet. He said growth is happening using the tentative alignments. It may force that as being the final alignment. He said where the trax line shows exiting South Jordan is where Herriman is planning for it to be. None of the other cities have objections.

Councilman Barnes also thanked Mr. McKinley for his representation on the UTA Board.

Mr. McKinley said he feels UTA's management is great in terms of planning and making a good work place for employees. The employees are committed. I caution you to not always believe what you read in the papers because it is not always accurate.

C. Business License Policy Recommendation. *(By Commerce Director, Brian Preece)*

Commerce Director Preece said the study is done and was reviewed at the last City Council study session. He reviewed staff's recommendation for the business license fee schedule (Attachment A). They are proposing to include the cost of postage into the home occupation business license fee. They anticipate that they will receive \$25,000-\$30,000 less in business license revenue with the proposed changes. Finance Director Naidu said they hope the lower fees will invite more businesses to come. Mr. Preece said the purpose was to make sure they were getting a license fee that was defensible. Mr. Naidu concurred; they wanted a fee that was reasonable and justifiable. It was noted that rates are evaluated annually. It was further noted that staff is presenting exact numbers; the actual fees will likely be rounded.

Councilman Rogers said one concern he has is the new home occupation fee versus the renewal fee. He asked if they can adjust the renewal fee higher to offset the cost of the new fee. Staff said no, because they can't legally justify a higher renewal fee. CM Whatcott said the fee is high because of the time it takes to process the application. They are proposing to start the new home occupation fee at \$150, including postage, and then they could increase that fee over time, up to \$200. Mr. Preece said another concern with deferring the initial cost over time is that they have many existing businesses that would be paying the higher renewal fee and they would be charging many too people too much. CM Whatcott said their concern is that if they were challenged, they can't justify the higher renewal fee.

Councilman Rogers asked how the proposed fees compare with other communities? Mr. Preece said they are in line. Generally, this will put their fees "average". In some cases, their fees are a little lower, in some cases, they are higher. Finance Director Naidu said most communities have a base rate. South Jordan does not.

Councilman Seethaler asked what would it take to address how neighborhoods are notified for a home occupation license? He said they should revisit that issue, at another time, so the mailing costs are less onerous.

It was noted that staff is looking at doing a postcard notification to cut costs. Councilman Rogers said they could consider a policy for home occupations with traffic versus home occupations with no traffic. Staff will bring back the item for future discussion.

Councilman Barnes said they need to be careful to not round the fees too high because it appears more arbitrary.

The City Council discussed the oath of office for the Youth Council. This year, the youth Mayor and Mayor Pro Tempore will be administered the standard oath of office, by Mayor Alvord.

Councilman Seethaler said they don't swear in members of other committees.

*Councilman Barnes said he doesn't feel they need the oath. Councilman Rogers asked that staff meet with the leaders of the youth council and discuss how the city works with the youth council. Mayor Alvord said he likes that they bring the youth council to the city; it gives the youth council a connection to the city and the service they provide.

Councilman Seethaler said he does not feel they should be giving the oath of the mayor, by the City Recorder, to high school aged volunteers.

Councilman Rogers reiterated that staff should discuss the youth council's role in general and how it relates to the City Council. The City Council needs to give some direction. Councilman Barnes said there needs to be some consensus if the Youth Council is a city organization or not. An option is asking the youth council to write their own oath.

The City Council took a dinner break.

D. Discussion Item: Draft Policies regarding RDA Housing Fund Programs (*By Commerce Director, Brian Preece*)

Commerce Director Preece gave a presentation on the draft policies regarding RDA housing fund programs (Attachment B).

CM Whatcott said they would like to find a way to use the excess money to benefit the community. They would like to do a Senior Center. It was noted that the money has to be used for housing. Staff would like to create a legacy with the money.

Councilman Rogers said they have an aging Senior Center so that would solve more than one problem. CM Whatcott said if they built a new Senior Center, they could utilize the current building for community theatre, orchestra, etc. Councilman Rogers said it would be a good use of the parcels adjacent to the bridge on 1300 West because development on those properties has been stifled because of the bridge.

Mr. Preece said there is about \$6 million in the housing fund. Next year, they will get \$1.5 million. The account will probably top around \$10 million. They discussed starting the employee housing assistance program at ½ - \$1 million. CM Whatcott said he does not feel a lot of employees would qualify because it is based on household income, not just the employee wages. The proposal would be for healthy senior housing, not an assisted living center.

Councilman Rogers said he likes the suggestion for a senior center on 1300 West 10400 South, either the north or south side. That would keep the money here and they can use the current center for other civic uses. Mr. Preece said there needs to be some investment on the city side.

Councilman Seethaler said he would also like to see a model for a housing assistance program. Councilman Seethaler said he is in favor of starting with city employees. Councilman Barnes is in favor of including teachers as well. It would be a good offer for the school district since a lot of money comes from them. Councilman Seethaler said programs that include a lien on property and a pay on sale or forgiveness after a certain number of years are easier to administer than a payback program. Mr. Preece said there are rental assistance and grant programs that could be considered as well.

Mayor Alvord asked if they would ever consider the location by Sprouts for a Senior Center? Mr. Preece said that is a possibility. Councilman Rogers said the city's contribution could be the land. He said the 1300 West location is preferred because of the bridge. Mayor Alvord concurred, but said they could keep the location by Sprouts as a backup plan.

ADJOURNMENT

The July 7, 2015 City Council study session adjourned at 5:57 p.m.

This is a true and correct copy of the July 7, 2015 Council Study Session minutes, which were approved on July 21, 2015.


South Jordan City Recorder

Attachment A
7-7-15 Study Session

South Jordan City Staff Recommended Business License Fee Schedule:

Tables E2 and E3 have all of the information for base fees and disproportionate regulatory costs.

TABLE E2: SOUTH JORDAN CITY BUSINESS LICENSING COSTS BASE FEES – NEW APPLICATIONS AND RENEWALS

License Type	New Application	Renewal
Commercial	\$193.92	\$105.00
Home Occupation (includes postage for notification process)	\$199.66	\$30.00
New Salon Chairs/Vending	\$91.78	\$24.63
Residential Rental (four units or more)	\$118.92	\$30.00
Temporary (six months or less)	\$193.92 + \$250.00 Refundable Deposit	N/A
Alcohol (each license category applied for)	\$193.92	\$105.00

Additional costs for increased regulatory requirements are shown below for the specific business types shown below:

TABLE E3: DISPROPORTIONATE REGULATORY COSTS

Disproportionate Regulatory Costs	Additional Fee
Big Box	\$1,365.00
Department Store	\$645.00
Home Occupation Day Care and Food Assembly	\$75.00
Liquor License - <i>New Application Only</i>	\$43.80
Temporary- <i>Fireworks Only</i>	\$136.20
Expedited Issuance Fee	\$67.60

The following gives the breakdown for the increased regulatory fees.

Business Class	Total Minutes for Inspection/ Service	Cost per Minute	Total Cost	Amt. Included in Base Administrative Cost	Disproportionate Regulatory Cost
Big Box (e.g. Wal-Mart, Costco)	960	\$1.50	\$1,440.00	\$75.00	\$1,365.00
Department Store (e.g. JC Penney)	480	\$1.50	\$720.00	\$75.00	\$645.00
Home Occupation Day Care & Food Assembly (45 min. + 20 min. travel time)	65	\$1.50	\$97.50	\$22.50	\$75.00
Liquor License – New Application Only					
Police	15	\$1.92	\$28.80	\$0.00	\$28.80
Background Check					\$15.00
Total – Liquor License New Application					\$43.80
Temporary – Fireworks Only					
Fire Marshal	120	\$1.50	\$180.00	\$75.00	\$105.00
Business Licensing	95	\$1.04	\$98.80	\$67.60	\$31.20
Total – Temporary (Fireworks)					\$136.20
Expedited Issuance	65	\$1.04	\$67.60	\$0.00	\$67.60

South Jordan City

RDA

Affordable Housing Money Options

June 2, 2015

Brian A. Preece, MPA
Director of City Commerce

&
J. Craig Smith, Esq.
RDA Attorney

Carl Wengel and Chad Wengel

Housing Plan Goals



1. Encourage Energy Efficient Housing to Lower Housing Costs.
2. Support Affordable Housing for Special Needs-- Disabled, Seniors, Veterans, Govt. Workers.
3. Eliminate Barriers To Affordable Housing.
4. Work with UTA to Implement Increased Number of Busing Routes.
5. Maintain Existing Housing Stock Appeal & Quality.

What does Low to Moderate Income (LMI) Mean?



HUD's adjusted household median income for the county is \$68,700. Common LMI levels are 80% (\$54,960), 50% (\$34,350) and 30% (\$20,610).

Affordable Home

30%	\$51,039
50%	\$117,135
80%	\$216,279

Affordable Rent

\$365
\$708
\$1,224



Addressing South Jordan Housing Obligations and Needs.



1. Tier 1—Pamela Atkinson Fund Donation
 2. Tier 2—Olene Walker Fund Donation
 3. Other Tiers—50%-80%
- Recommendations for these Needs to be Addressed Below

Encourage Energy Efficient Housing to Lower Housing Costs.



1. Create a process for funds to be placed with home owners meeting Affordable Housing guidelines for energy efficient (including water saving) home improvements.
2. Partner with other programs to leverage RDA funds.



Maintain Existing Housing Stock Appeal & Quality



1. Create a process for funds to be placed with home owners meeting Affordable Housing guidelines for home improvements.
2. Partner with other programs to leverage RDA funds.

Support Affordable Housing for Special Needs—Senior Citizens

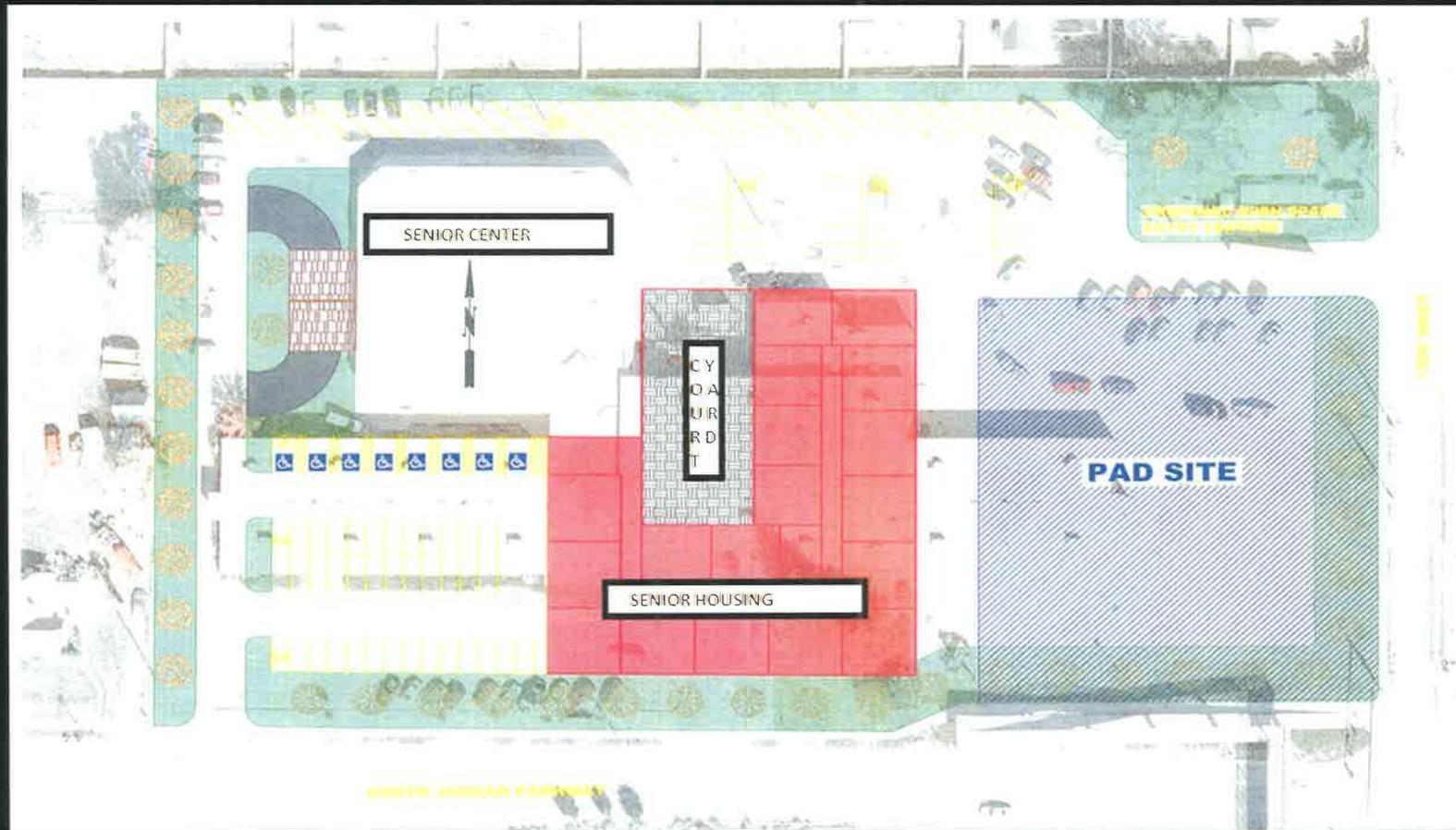


“I know what you’re going through, dear. I buried my husband last year – but they found him in time.”



Support Affordable Housing for Special Needs.

Senior Center/Senior Housing



Support Affordable Housing for Special Needs Residential.



Senior Center/Senior Housing

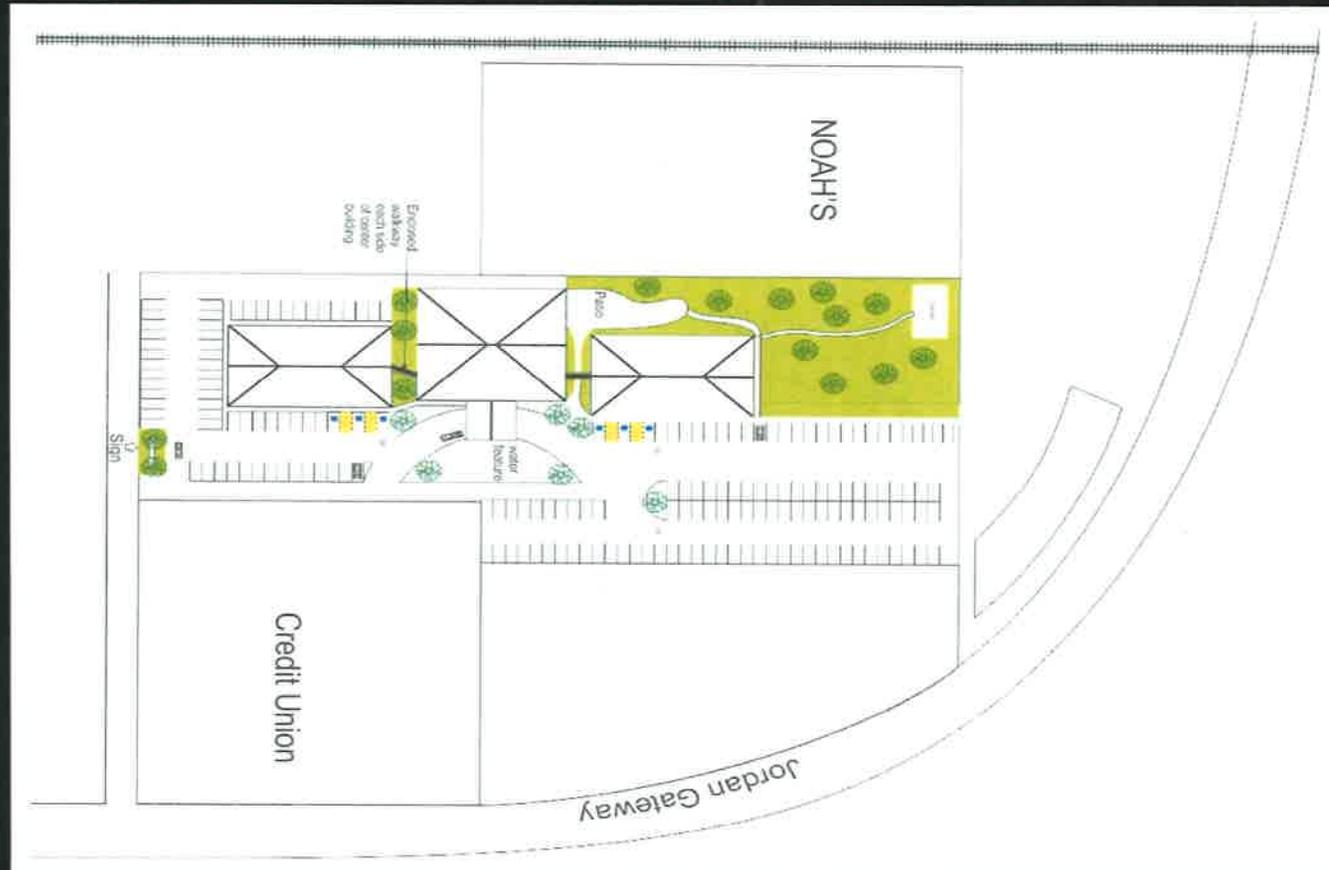


SOUTH JORDAN

Support Affordable Housing for Special Needs Residential.



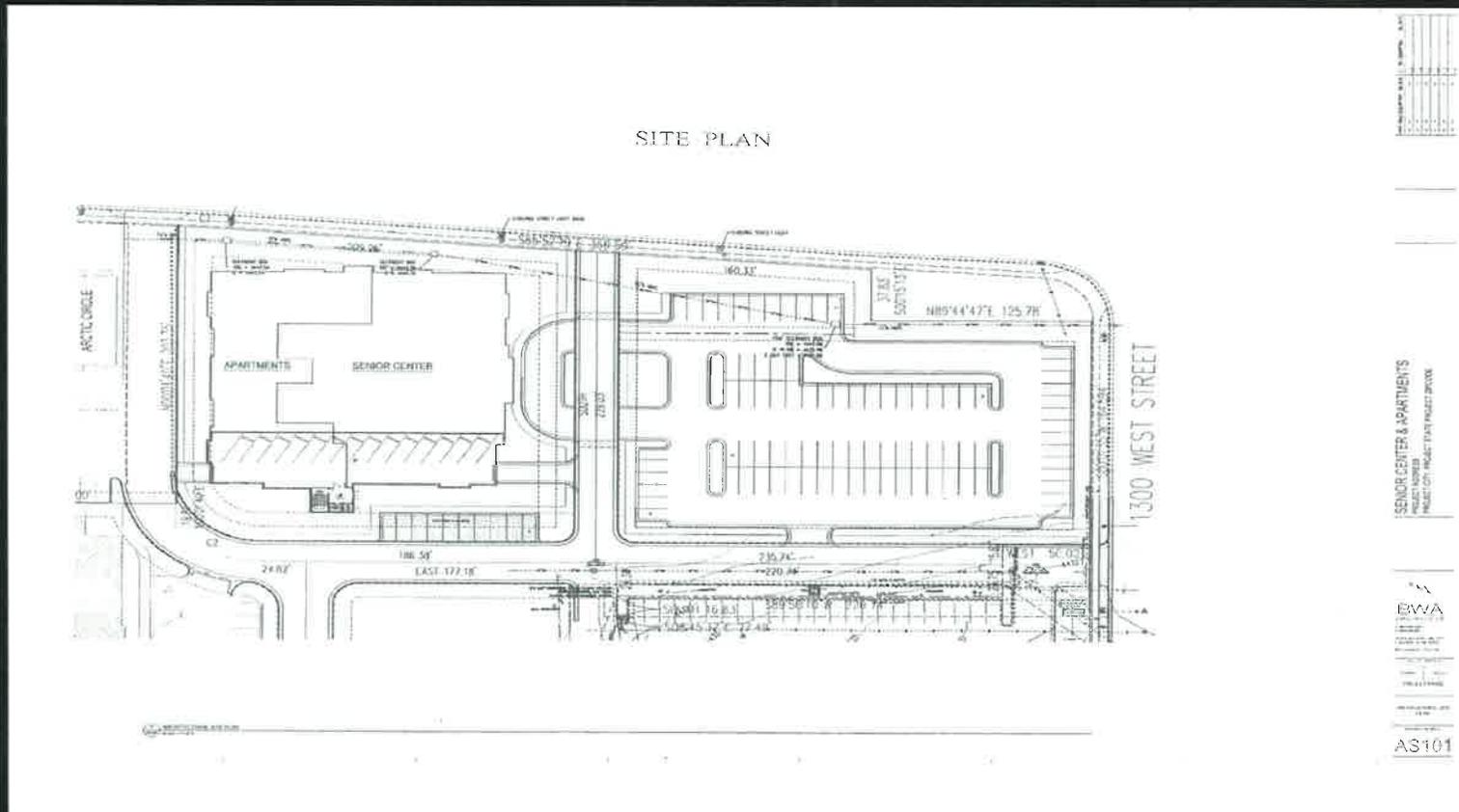
Senior Center/Senior Housing w/Private Partner



Support Affordable Housing for Special Needs Residential.



Senior Center/Senior Housing w/Private Partner



Support Affordable Housing for Special Needs



1. Work Force Housing Assistance
 1. Fire, Police, Public Employees
 2. School Teachers
 3. Others
2. Veterans
3. Disabled



Support Affordable Housing for Special Needs—Work Force Housing



City Employee Housing Assistance--
Loans or Grants with appropriate
safe guards:

1. Down Payment Assistance
2. Interest Rate Buy Down
3. Rental Assistance

Support Affordable Housing for Special Needs— SJC City Employees that may Qualify for LMI Housing Assistance



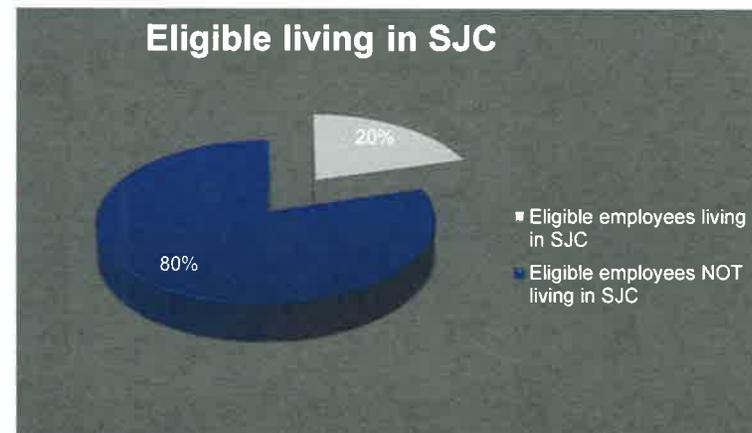
Affordable Housing Assistance - 80% Threshold (\$54,960)

Eligible Employees for Affordable Housing Assistance

Employees eligible for AHA	197	67%
Employees NOT eligible	95	33%
Total Employees*	292	100%

Eligible Employees Living in SJC

Eligible employees living in SJC	40	20%
Eligible employees NOT living in SJC	157	80%
Employees eligible for the AHP	197	100%



Infrastructure Assistance for Projects Meeting the Goals of the City

1. Projects to Assist Seniors, Disabled & Veterans
2. Recommend only small percentage of units within a Development be available to Affordable –No “Projects”
3. Pay Impact Fees
4. Costs of offsite or onsite infrastructure



Administration of RDA Housing Funds Advisory Board



Advisory Board made up of South Jordan Community members such as bankers, mortgage brokers, developers, financial advisors, real estate brokers and other similarly qualified individuals and one or two RDA Board Members serving in a member/liaison function.

Recommendation: In order to get the community involved and to bring in local experts in the housing industry to advise the RDA on the administration of the funds, staff recommends the creation of an Advisory Board to make recommendations to the RDA Board on applications and programs with RDA Board granting Final Approval.

Administration of RDA Housing Funds Through a Trust Fund



Create a Trust Fund to hold and administer the RDA Housing funds through a separate Governing Board and/or an Advisory Board.

Recommendation: Due to the complicated restrictions this would legally place on the RDA Housing Funds, Staff does not recommend creation of a Trust Fund.