



## **PROVO MUNICIPAL COUNCIL**

### **Work Meeting Minutes**

12:00 PM, Tuesday, March 01, 2016  
Room 310, Provo City Conference Room  
351 West Center, Provo, Utah 84601

THE FOLLOWING ELECTED OFFICIALS WERE PRESENT:

Council Member David Harding  
Council Member David Knecht  
Council Member David Sewell  
Council Member Gary Winterton  
Council Member George Stewart  
Council Member Kim Santiago  
Council Member Vernon K. Van Buren  
Mayor John R. Curtis

Conducting: Council Chair Kim Santiago

#### **Agenda**

#### **Roll Call**

#### **Opening Prayer**

#### **Approval of Minutes**

**January 5, 2016 Work Meeting Minutes**

**February 2, 2016 Work Meeting Minutes**

**February 16, 2016 Work Meeting Minutes**

**February 4, 2016 Council-School Board Joint Meeting Minutes**

**Motion:** Council Member Gary Winterton motioned to approve the January 5, 2016 Work Meeting Minutes, February 2, 2016 Work Meeting Minutes and February 16, 2016 Work Meeting Minutes. Seconded by Council Member David Sewell. Approved 7:0.

Council Member David Knecht motioned to approve the February 4, 2016 Council-School Board Joint Meeting Minutes with amendments. Seconded by Council Member David Sewell.

**Roll Call Vote:** The motion passed 7:0.

## **Council Business: Outcomes and Ends Policies**

### **1. A presentation and discussion with Claudia O'Grady and Jonathon Hanks of Utah Housing Corporation. (16-030)**

Utah Housing Corporation (UHC) was created in 1975 by Utah legislation to serve a public purpose in creating an adequate supply of mortgage funds at reasonable interest rates and by providing other kinds of financial assistance to help create affordable housing for low and moderate income persons.

Jonathan Hanks, Sr. Vice President and COO, discussed the UHC Loan Program monthly payment comparisons between the various FHA Mortgages and the Conventional Mortgages. He also reviewed the County distribution of UHC Single Family loans. He explained their process for scoring projects and prioritizing them. The focus on affordable housing is located close to mass transit.

Claudia O'Grady, Vice President of Multi-Family Housing, discussed the Multi-family Low-income Housing Tax Credit Program (LIHTC). UHC is designated the "Housing Credit Agency" for the purposes of carrying out the Utah Code 63H-8-401. She explained the incentives that are offered and the scoring process. The total units UHC built in 2016 was 762 and 82% of those were one-third mile from Trax/Fronrunner. An analysis of Impediments to Fair Housing Choice report (2015) said "Housing projects at Transit Oriented Developments (TOD) should include housing types and prices that are consistent with the housing needs of protected classes... Provo's TODs offer a rare opportunity to bring together affordable housing, proximity to employment, and access to public transportation for transit dependent households, which are disproportionately minorities and the disabled".

Ms. O'Grady discussed the financing comparisons of the total LIHTC units (1,413) to the total population, in the cities they were built.

Council Members expressed their concerns and those of the Provo School District regarding the density of Low-Income Housing built in the Provo Central Neighborhoods. They also discussed the needed equal disbursement of this type housing throughout Utah County. Provo has a dense amount of low-income housing and the School District is overloaded. Because of this density of low-income housing and the burden people,

institutions, and schools carry living in these areas, there has been an expression of exhaustion. The School District has expressed its concern of the burden the local schools carry in the high density areas of low-income housing. More equal disbursement throughout the County of this type of housing would relieve the stress.

Ms. O'Grady referenced their recent development housing plan that addresses housing types and income levels using different planning and zoning tools, density bonuses, etc. They have a plan that speaks to a full range of housing issues. She also referred to HUD's buzz word "areas of opportunity" which is a concept of providing housing to lower income in areas where they lack education, health benefits and are looking at ways to cite projects in areas of opportunity.

Report only.

## Mayor's Items and Reports

### 2. A presentation and report from the Administration regarding the 25 fees identified for review from the Consolidated Fee Schedule. (15-118)

Dustin Grabau, Budget Officer/Controller, presented. He discussed thirty-seven Community Development fees. He showed the various costs, current fees and what would happen to the costs if they were covered at 100% cost recovery.

Gary McGinn, Community Development Director, remarked about how an application such as a rezone, can result in three projects such as a General Plan amendment, rezone & subdivision but are all related to the same piece of ground. Each separate project carries fees for each application. Past Municipal Councils have asked for Community Development to look at surrounding communities and rank Community Development fees in the middle. Some communities require at high fee on General Plan amendments to guarantee the seriousness of the request. Plan checks and building permit fees this year should be approximately \$2.4 million.

The application process vs. application fee costs were discussed. The question was asked, "is the deal breaker for developers the cost fees or frustration with the process"? Smaller customer projects (basement redesign, home remodels) can be more expensive because of their lack of knowledge than larger customer projects (subdivision, commercial). However, it is good to help the home owner customer because of the public good and safety. Some points that were made:

- Is safety worth subsidizing?
- Is the customer getting what he is paying for?
- Can we justify raising the fees?
- Is being in the middle, a good way to set our fees?

- When the Council drives the fee changes, it is important to have these discussions in Work Meetings, then give Administration time to bring it back as part of the budget.
- Where is the Council's comfort level with changing fees?

Mr. Grabau said that analyzing cost recovery will be better done after the 360 Project has been implemented because of the tools that will be available to provide accuracy.

A discussion ensued. Council Member David Sewell suggested a fee comparison of other cities might help the Council in their decision. Mr. McGinn will put this report together for the Council.

**Motion:** Council Member George Stewart motioned to move this item forward to the March 15, 2016 Work Meeting and Gary McGinn will prepare the comparative analysis of other cities' fees for that meeting. Seconded by Council Member David Sewell.

**Roll Call Vote:** The motion passed 7:0.

### **Council Business: Outcomes and Ends Policies**

#### **3. A discussion on the mission statement created for the Ad Hoc Housing Committee. (16-018)**

Council Member Kay Van Buren presented. At the February 16, 2016 Work Meeting, the Council formed the Ad Hoc Housing Committee to assist with the analysis of the Housing issues which face Provo City. As part of that recommendation to create the Ad Hoc Housing Committee, the Council requested that the Council Members assigned to the Committee come back with a Mission Statement that captures their purpose

The purpose of the Ad Hoc Housing Committee is to research best practices and make recommendations for:

1. Understanding what characteristics meet the tenets of a balanced and healthy neighborhood that promote owner occupancy and long-term residency; and
2. How best to proactively address housing issues county-wide by engaging surrounding cities, the school board, housing advocates, and other experts.

Mr. Van Buren said the housing issue is quite large and the intent of the Committee has been to reduce it. The Committee has come up with some ideas of how to engage with the surrounding communities and to convince and encourage them that Provo can no longer

carry the high density of low-income housing burden. Council Member David Knecht said that the tenants of a balanced and healthy neighborhood statement will include balanced neighborhoods with clear and quantifiable numbers in housing types which will add to ownership longevity, healthy housing and quality of life, a safe and happy community. City planning should be not only from a neighborhood perspective but also from a city-wide perspective.

Council Members are to give any suggestions they might have to Council Member Kay Van Buren. The Committee Members will consider the suggestions and bring this item forward to the March 15, 2016 Work Meeting.

**Motion:** Council Member George Stewart motioned to accept the Ad Hoc Hosing Committee Mission Statement. Seconded by Council Member Gary Winterton.

**Roll Call Vote:** The motion passed 7:0

**4. A follow-up discussion on Council Priorities and Vision for the City. (16-015)**

Council Member Kim Santiago presented. The Council has identified nine priorities and finalized them. The Council reviewed the following additional priorities and outcomes.

**Ad hoc Housing Committee** – The Committee has been formed and a mission statement has been approved by the Council.

**Civic Engagement** – It is proposed to change the name of this priority to Public Engagement.

**Motion:** Council Member David Knecht motioned to accept Public Engagement as the name for this priority. Seconded by Council Member David Harding.

**Roll Call Vote:** Approved 7:0.

**Structured Policy** – Council Members discussed having a centralized place for Administrative and Council documents that can be easily accessed and updated.

This item will be returned to the Policy Governance Committee for discussion on the relationship of established policies as they relate to the Council and General Plan. Matthew Taylor will prepare an ordinance adding to the duties of the Executive Director regarding the responsibility for oversight and review of the General Plan and Chapter 13 each year. This item will be brought forward to the March 15, 2016 Work Meeting.

**West Side** – The desired outcomes were reviewed. Much of the work on this priority falls under Community Development. Neighborhoods on the west side have developed a neighborhood plan which is very important to west side planning. Mayor John Curtis emphasized the importance of Council Members to weigh-in on west side policies such as, open and agriculture space, before the neighborhood plan is finalized. These are fundamental decisions the neighborhoods will need to know while working through their plans. Another decision the Council should decide is whether to let the Council proactively drive the west side development or let the market conditions and developers drive it. Gary McGinn suggested the Council review the neighborhood plan the Southwest Neighborhoods have put together thus far and give input.

Council Members are to individually review the General Plan and Vision 2030. Community Development will report on the Southwest Neighborhood Plan at the March 15, 2016 Work Meeting. Also a report by David Harding on his specific thoughts for the West side will be heard.

### **Public Engagement**

Council Member David Knecht will research and make recommendations on the first bullet point under outcomes (Concerned citizens should have access to clearly defined methods to express their concerns). David Sewell will research and make recommendations on the second bullet (The methods should provide input in a timing and manner that maximizes the impact of the input). David Harding will research and make recommendations on the third bullet point (The citizen's input should be heard).

**5. A discussion and review of the Development Review Process. (16-023)**

This item continued to the March 15, 2016 Work Meeting.

## **Break**

## **Council Business: Governance Process and Rules**

**6. Council Rules Policy Amendment: Items Referred from the Planning Commission. (16-020)**

This item continued to the March 15, 2016 Work Meeting.

## **Mayor's Items and Reports**

**7. A discussion on the status of infrastructure on the west side of Provo as it relates to future development. (16-031)**

David Decker, Public Works Director, presented. As development continues on the west side of Provo there are significant challenges to have the infrastructure available to support

it, including water, sewer and storm water. As the West Side Connector is paved, the development along this corridor should pick up.

Greg Beckstrom, Public Works Division Director – Public Services, discussed stormwater. Bart Simons, Public Works Division Director – Water, discussed wastewater.

Attachment 1 – Slide presentation.

Council Member Kim Santiago said that infrastructure will be part of the “budgeting to priorities” process.

**8. A discussion on the proposed 2016-2017 Annual Action Plan to be submitted to the Department of Housing and Urban Development. (16-033)**

Dan Gonzalez, Management Analyst III, presented. As the lead entity for the Utah Valley HOME Consortium, Provo City submits to the Department of Housing and Urban Development (HUD), an Annual Action Plan update to the Five-Year Consolidated Plan.

Mr. Gonzales reviewed the 2016/17 CDBG Funding Recommendations, the 2016/17 CDBG-Social Services Funding Recommendation, and the 2016/17 HOME Funding Allocations (Attachment 2, 3, 4).

He invited the Council to appoint a liaison to the CDBG committees. Council Member George Stewart volunteered to be a liaison to the General Committee. Council Member David Knecht volunteered to be a liaison to the Social Services Committee.

A discussion ensued regarding the current 12.5% CDBG Social Services allocation and whether it should this be adjusted to 15%? Some of the pros and cons were:

- CDBG funds are the largest amount of discretionary funds and therefore should be used in a way that makes a big difference in Provo.
- Find ways to measure impact on past CDBG projects.
- Some social services have a higher impact than other services.
- Prioritize types of services.

It was suggested that a post-it note session be held to find out the Council Member’s priorities as has been done in previous years. Council Members would like to continue this discussion at the Redevelopment Agency (RDA) Retreat to be held on March 22, 2016 at 1:00 PM.

- **2016-17 CDBG Funding Recommendations**
- **2016-17 HOME Funding Recommendations**

**Motion:** Council Member David Sewell motioned to give direction to the Social Services Committee to keep the percentage at 15% from now-on. Seconded by Council Member George Stewart. Council Member David Harding made a substitute motion to give direction for future years to the Social Services Committee that the Council is interested in a 12 ½ % and a 15% comparative budget. No Second. Motion failed.

**Roll Call Vote:** The original motion passed 5:2. Council Members David Harding and Gary Winterton opposed.

### **Redevelopment Agency of Provo**

**9. A discussion on the consideration of the transfer of property in downtown Provo to further the goals of the Redevelopment Agency. (16-034)**

David Walter, Redevelopment Agency Director, presented. The Redevelopment Agency is requesting authority for Mayor John Curtis to sign an agreement in regards to the transfer of property within the area bounded by 300 West and 300 North South and East to 100 North and 100 West. The Real Estate purchase Agreement would be between the Redevelopment Agency of Provo City Corporation, PEG Development, LLC and the State of Utah. This agreement exchanges various properties, will advance the goals and objectives of Provo City and the agency and will enhance the vitality of Provo's Central Business District.

This item will be heard on tonight's Council Meeting.

### **Administrative Updates**

Intermountain Health Center (IHC) has announced that a Children's Hospital will be coming to the IHC campus in Provo.

Community Development has reported that Vision 2030 will be updated by June 1, 2016.

### **Closed Meeting**

The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with § 52-4-204 and 52-4-205 et. seq., Utah Code.

Brian Jones, Council Attorney, noted that a closed session had been requested. He stated that a closed meeting could be held for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation; and/or to discuss the purchase, sale, exchange, or lease of real property; and/or the character, professional competence, or the physical or mental health of an individual. Mr. Jones understood the topics to be considered fell under one of those areas.

**Motion:** Council Member David Harding moved to close the meeting. Seconded by Council Member Kay Van Buren.

**Roll Call Vote:** The motion Passed 7:0

**Motion:** Council Member Kay Van Buren moved to adjourn. Seconded by Council Member David Knecht.

**Roll Call Vote:** The motion Passed 7:0