SOUTH JORDAN CITY
CITY COUNCIL STUDY MEETING

July 16, 2019

Present: Mayor Dawn Ramsey, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Jason McGuire, Council Member Don Shelton, Council Member Tamara Zander, CM Gary Whatcott, ACM Dustin Lewis, City Commerce Director Brian Preece, Engineering Director Brad Klavano, City Attorney Ryan Loose, City Council Secretary MaryAnn Dean

STUDY MEETING

Mayor Ramsey welcomed everyone present.

A. Invocation: *By Council Member Don Shelton*

Council Member Shelton offered the invocation.

B. Mayor and Council Coordination

Council Member Zander said at the last City Council meeting, the city attorney talked about waiving the fees for the residents on the Rocky Mountain Power issue. City Attorney Loose said they anticipated a large bill from Mr. Hall. The residents paid an $819 deposit to do the appeal. The total cost is about $3000, and the bulk of the bills have been received. He said there might be more bills coming, but the total is far less than expected. Staff thought the total could be $8,000-$10,000. The total amount did end up coming in as expected and according to the fee schedule. They can still waive the fee, based on the controversial nature of the application, and the outcome.

Council Member Zander strongly recommended they waive the remainder of the fee. They can also refund what has already been paid. She said the residents have worked on this issue since last August.

City Attorney Loose said they will be going out to bid for legal services. They are going to include a broad scope for appeals. They are asking for a per-type of appeal rate, rather than a per hour rate. They feel it will give them more predictability and consistency. They are being told by attorneys that the per-type of appeal rate could be hard to quantify.

Mayor Ramsey said she has concern about spending tax dollars paying back the residents for something they chose to do.

City Attorney Loose said they have waived fees in the past.

Council Member Marlor asked what they anticipate the fee for this type of appeal will be in the future? City Attorney Loose said they estimate $3000 at the most for a Conditional Use Permit.

He said when they have a for sure fee, they will ask for the full fee at the time the application is submitted.

City Attorney Loose said he told Mrs. Holdemeyer that the cost was estimated at $3000. Staff Attorney Sheeran said a follow up email was also sent with the attorney's hourly rate and the estimated cost at $3000. The email was sent before the appeal was filed.

City Attorney Loose said the fee schedule was changed not long ago, and they will be changing the way they do fees again. This would be the one application that falls under this specific fee schedule.

Council Member Zander said as the process ensued, Mr. Hall communicated with the residents' attorney, not the residents, so they also had to pay for an attorney on the other side. City Attorney Loose said that is common practice. He said they had a clear process, but they did not have a clear end fee. Staff gave an estimate, which was close the cost. He said one reason for recommending a reimbursement is because it is not the same fee process that has been used in the past, and they are changing it again.

CM Whatcott said there has been some indication from the residents that they will sue the city. He said they may want to wait and see what happens with that before they waive the fees. Council Member Marlor asked how long the residents have to file a lawsuit? City Attorney Loose said he is unsure. It is hard to speculate because they are not sure what the claim will be. He estimated that the residents could have 3 years to file.

Council Member Shelton said he would have loved to see the power corridor go somewhere else, but the city could not justify the cost to make that happen. The residents were respectful, thoughtful, and thorough. He is concerned about a potential lawsuit. Council Member Zander said she does not feel the lawsuit will happen.

Council Member McGuire said the residents knew there was a fee for this process. What is the justification for waiving the fee? City Attorney Loose said for him, it is because the city previously paid the fees and now they are going to another new system. This is the only application in the middle. They have waived fees in the past.

Council Member Marlor concurred that they should waive it because they are going to change the process. In the future, the applicants will pay the fee up front. The residents already paid the $800 deposit, and he is okay with that. He recommended they waive the balance. Mayor Ramsey said with the additional information given tonight, she is okay with waiving the balance. Council Member Zander concurred. Mayor Ramsey said the residents worked hard against a large company and there was not much the city could do. It is a unique situation on how it falls between the fee schedule processes. She trusts City Attorney Loose's recommendation. Council Member Shelton said he is okay with the compromise position to waive the remaining $2200.

Mayor Ramsey said she spoke with Soren Simonson, Executive Director of the Jordan River Commission. He was wondering if the City Council would be interested in floating in the river.

They discussed whether to make it a public event or a City Council event. Strategic Services Director Tingey said it would be tricky to do as a public event because there is not a port to dock. They are not quite ready for that level of an event. The City Council determined to tell Mr. Simonson they are interested in doing it for the City Council and senior staff.

Mayor Ramsey indicated that there is a constituent that would like to see South Jordan pass a Resolution that the city is pro-life. City Attorney Loose said a few years ago, the city wrote a letter that outlined a similar position.

Council Member Shelton and Council Member Marlor said they would prefer to legislate those things that they have authority over. Council Member Harris said he would not like to take a stand, regardless of their position, when they have no direct influence over it.

Mayor Ramsey said Mayor Wilson would like to join the steering committee for the Southwest Mayor's group.

Mayor Ramsey noted a breakfast meeting with the President of the U of U. They brought their entire administrative staff. There were Daybreak representatives there. She asked that the City Council communicate if they are unable to attend such events. Council Member McGuire was there, but he said the initial invitation said it was for Herriman City so there was some confusion. Council Member Zander asked that the City Council be made aware if it is an event they need to prioritize for.

C. Discussion/Review of Regular Council Meeting

Council Member McGuire said he would like to introduce the Sound of Music presentation.

The City Council discussed item H. There is a small piece of land by a fence. They are trading land with Riverton City. It is essentially an equal trade. It is also on Riverton City's agenda.

They discussed item I. on tonight's agenda. That issue goes hand in hand with the Ordinance that was passed previously. It allows the companies to have easier access to the right of way.

D. Discussion Item: Potential RDA Housing Fund Programs. *(By City Commerce Director, Brian Preece)*

City Commerce Director Preece reviewed a prepared presentation (Attachment A). He distributed a handout outlining potential workforce housing and other eligible projects for the RDA housing money (Attachment B), and a memorandum from J. Craig Smith regarding affordable and income-targeted workforce housing (Attachment C).

It was noted that South Jordan is a target for not having affordable housing stock. They are short on affordable housing units, largely based on the cost of land in South Jordan.

Mr. Preece said potential project 1 has been reviewed but has not been considered because of the cost. Mr. Preece said he feels potential project 2 is a reasonable request. They have looked at city

employees and it is estimated that less than 10 percent of employees would qualify. They received similar numbers for the Jordan School District. He indicated that the School District showed more interest in affordable housing options for non-teacher employees. They feel there is a much higher percentage of those employees that would qualify. He said with the smaller numbers, they would anticipate opening up potential program 1 to anyone that qualifies, and not limit it to city employees or school employees. He reviewed potential program 2. One advantage to that program is it keeps property values in the city up.

Council Member Harris said he likes potential programs 1 and 2 because 100 percent of the money goes to the homeowners. The money for the other projects do not go directly to who is buying the home.

Council Member Marlor said they should consider increasing potential programs 1 and 2.

Council Member Marlor asked on potential project 3, is that a good place to develop housing, or do they redevelop the area as commercial? Mr. Preece said they looked at commercial for that site, but it shows no viability for commercial. CM Whatcott said potential project 3 is a redevelopment focus. Council Member Marlor said he is willing to do a higher density product for potential project 3.

Council Member Marlor said he feels they can get some assistance from Salt Lake County for potential project 1. CM Whatcott said if potential project 1 is a legitimate project, they would have to take it to the voters or do a bond.

Council Member Marlor said he does not want the State Legislature to take their RDA money because they are not spending it. City Attorney Loose said there has been some talk of that, but he is not sure if that would happen next year.

CM Whatcott said they can buy down the lot price from the developers and bring the house price down. Mr. Preece said that is similar to the down payment option.

The City Council determined to put this item as an additional discussion item in the regular City Council meeting.

ADJOURNMENT

Council Member McGuire made a motion to adjourn. Council Member Shelton seconded the motion. The vote was unanimous in favor.

The July 16, 2019 study meeting adjourned at 6:29 p.m.

This is a true and correct copy of the July 16, 2019 City Council Meeting Minutes, which were approved on August 6, 2019.

Anna M. West

South Jordan City Recorder

SOUTH JORDAN RDA HOUSING FUNDS

Potential Projects/Programs

July 16, 2019

MEDIAN INCOME

Recommend using the 80% of the County Median Income for a family size of two which is $52,950 for 2019

80% of the household median income

	100% Area Income	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Salt Lake County	$ 80,000.00	$ 44,800.00	$ 51,200.00	$ 57,600.00	$ 64,000.00	$ 69,150.00	$ 74,250.00	$ 70,600.00	$ 75,150.00
Maximum Purchase Price (5% Rate)		$ 246,500.00	$ 264,500.00	$ 291,900.00	$ 329,000.00	$ 355,000.00	$ 379,900.00	$ 410,000.00	$ 433,000.00
Monthly Payment (Including HOA and MI)		$ 1,243.20	$ 1,420.80	$ 1,598.40	$ 1,776.00	$ 1,918.91	$ 2,060.44	$ 1,959.15	$ 2,085.41

*Based on 80% of HUD AMI #'s 2018

	80% AMI	$ 44,800.00	$ 51,200.00	$ 57,600.00	$ 64,000.00	$ 69,150.00	$ 74,250.00	$ 70,600.00	$ 75,150.00
	Monthly	$ 3,733.33	$ 4,266.67	$ 4,800.00	$ 5,333.33	$ 5,762.50	$ 6,187.50	$ 5,883.33	$ 6,262.50
	DTI-45%	$ 1,680.00	$ 1,920.00	$ 2,160.00	$ 2,400.00	$ 2,593.13	$ 2,784.38	$ 2,647.50	$ 2,818.13
	Taxes	$ 143.79	$ 154.29	$ 170.28	$ 191.92	$ 207.08	$ 221.61	$ 239.17	$ 252.58
	Insurance	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00	$ 50.00
	MI	$ 130.00	$ 130.00	$ 130.00	$ 130.00	$ 130.00	$ 130.00	$ 130.00	$ 130.00
	HOA	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00	$ 40.00
	Debts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	PI	$ 1,316.21	$ 1,545.71	$ 1,769.73	$ 1,988.08	$ 2,166.04	$ 2,342.77	$ 2,188.33	$ 2,345.54
		$245,185.42	$287,937.05	$329,667.23	$370,343.38	$403,493.74	$436,414.36	$407,646.27	$436,931.29

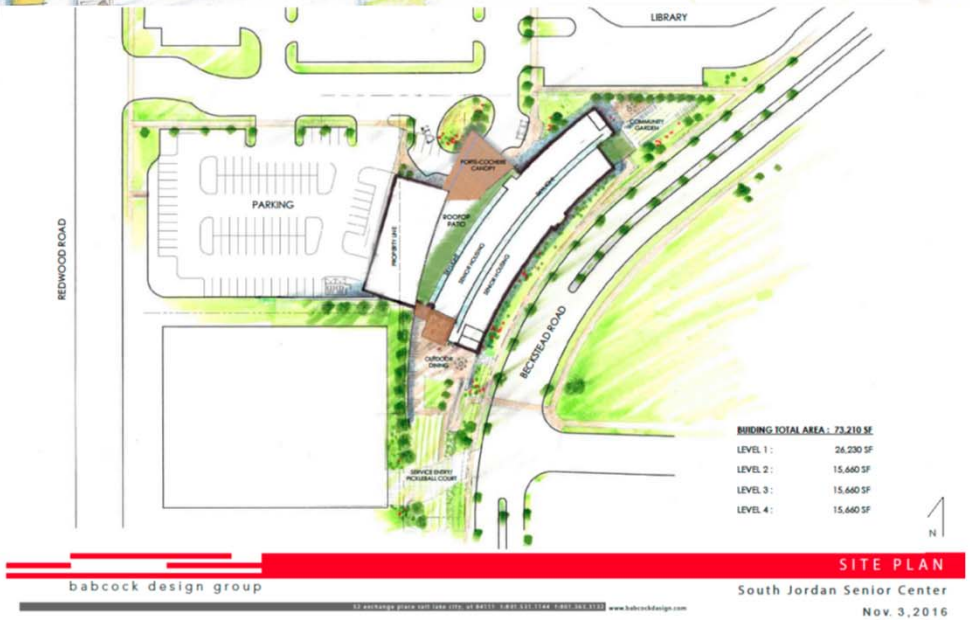
RDA HOUSING FUNDS

RDA Housing Fund

2018 Housing Fund Balance	$ 9,936,416
Estimated Interest 7-18 to 6-19	$ 278,054
Added 2018 TY	$ 1,112,216
July 2019 Est. Total	$11,326,686
Estimated Increase over next 10 years	$ 9,959,857
Total collected and 10 Year Estimate	$21,286,543
Estimated Increase until last Project Area terms out (2037)	$14,940,484
Estimated Total Collected at 2037 term out	$26,267,170

Potential Workforce Housing and other Eligible Projects for the RDA Housing Money

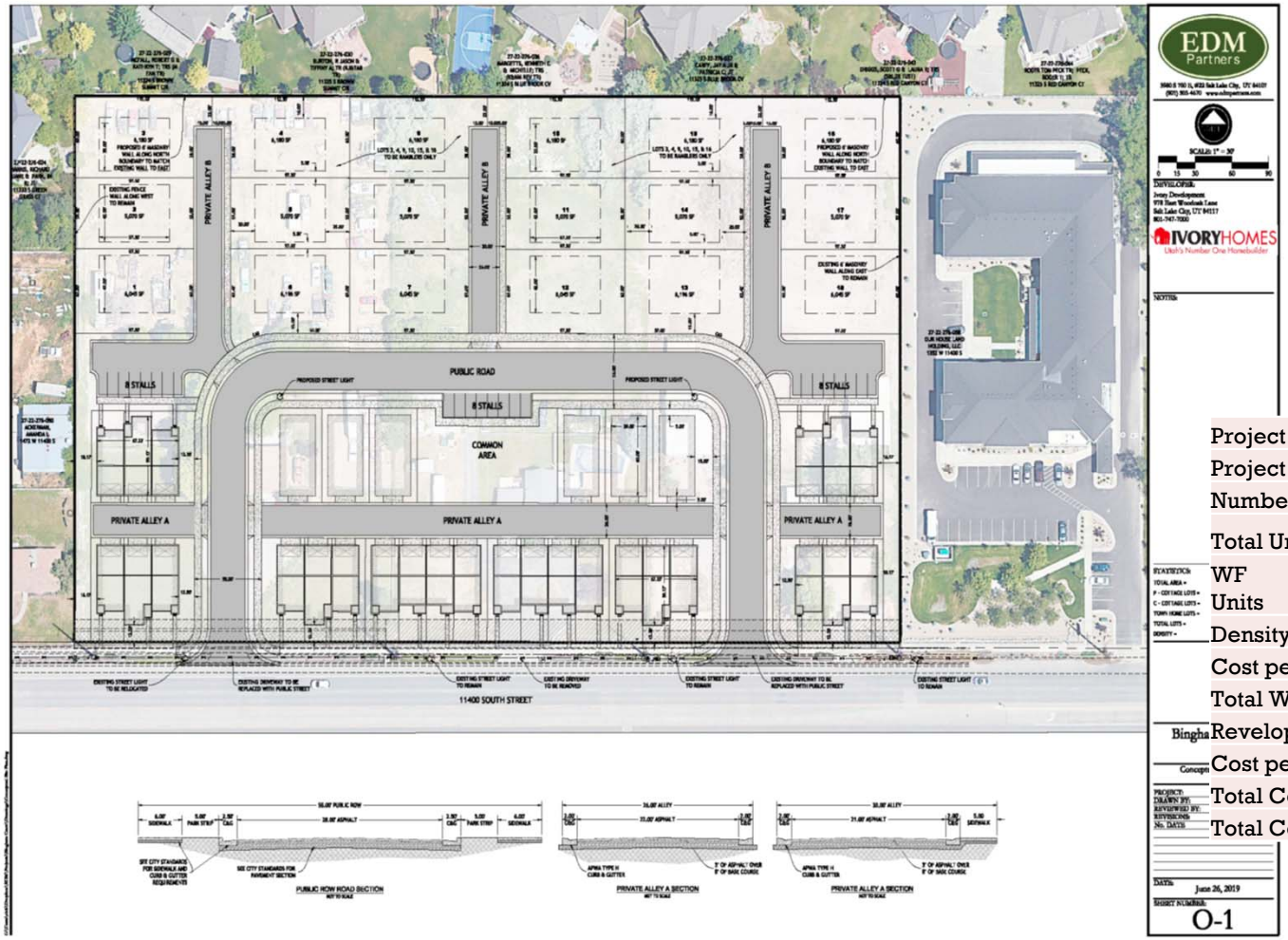
Any program receiving RDA Housing funds would have to be such that the end recipient would have to meet the requirement of 80% AMI or less for Salt Lake County, which is $52,950 for 2019



POTENTIAL PROJECT 1

Beckstead Lane
Senior Center/ Senior Housing

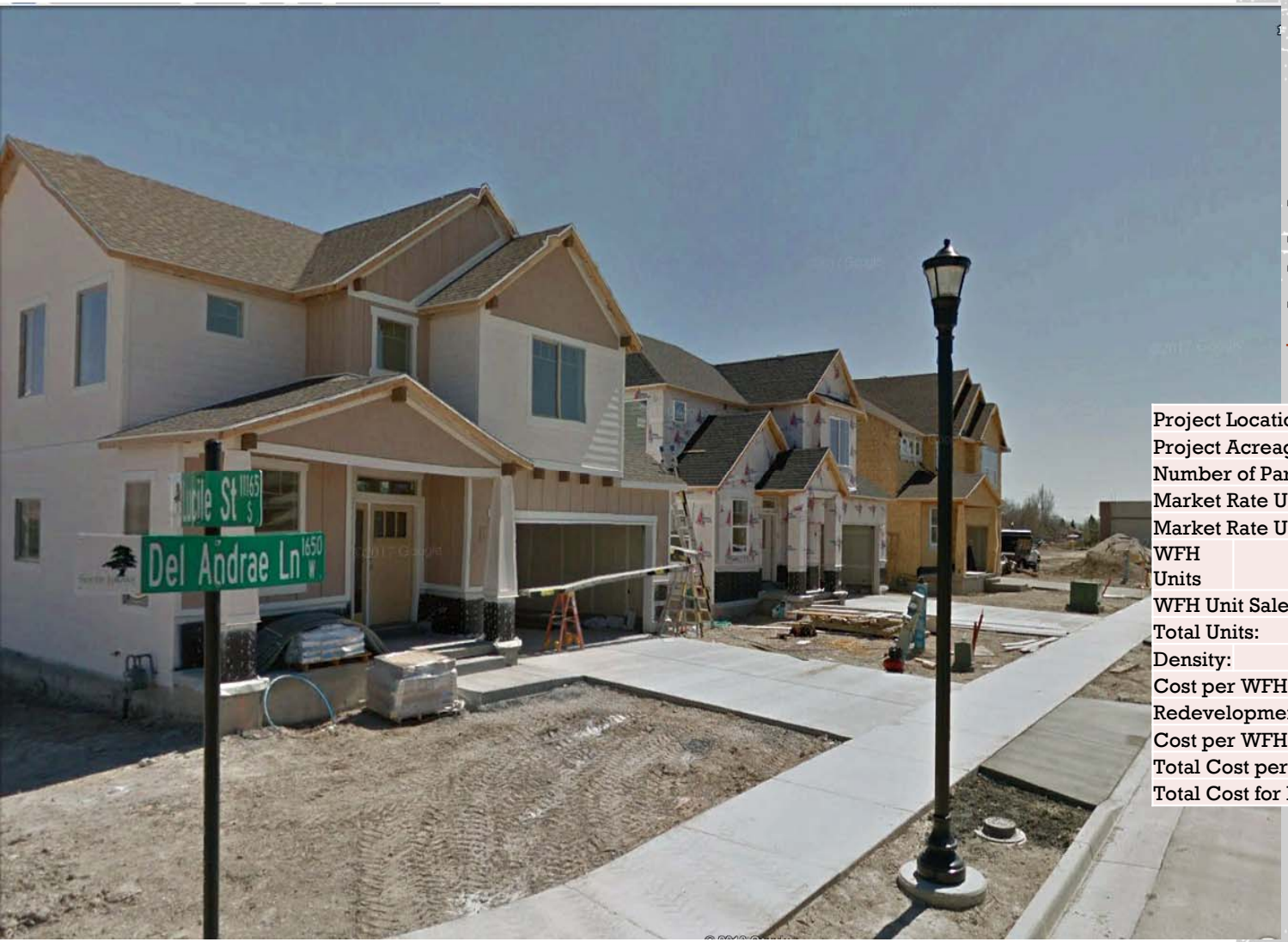
Beckstead Lane Senior Housing/Senior Center Project Estimates		
	Senior Housing Portion Estimate--	
	--Including Site Development	$14,817,593
	Senior Center Portion Estimate	$ 5,204,736
	Total	$20,022,329
	Senior Center Alone Estimate	$ 8,798,938



POTENTIAL PROJECT 2

Ivory Homes 114th South Proposal

Project Location:	114th South	
Project Acreage:		6
Number of Parcels to Assemble		3
Total Units:		50
WF Units		9
Density:		7.96
Cost per WFH Unit for 80% LMI:	$	60,000
Total WFH Cost:	$	540,000
Revelopment Cost:	$	360,000
Cost per WFH Unit for Redevelopment:	$	40,000
Total Cost per WF Unit	$	100,000
Total Cost for Proposal	$	900,000



POTENTIAL PROJECT 3

Undisclosed Redevelopment Project

Project Location:	ND
Project Acreage:	6
Number of Parcels to Assemble	13
Market Rate Units	23
Market Rate Unit Value	393,000
WFH Units	10
WFH Unit Sale Price	280,000
Total Units:	33
Density:	6
Cost per WFH Unit for 80% LMI:	$ 113,000
Redevelopment Cost:	$ 2,500,000
Cost per WFH Unit for Redevelopment:	$ 250,000
Total Cost per WFH Unit	$ 363,000
Total Cost for Proposal	$ 3,630,000

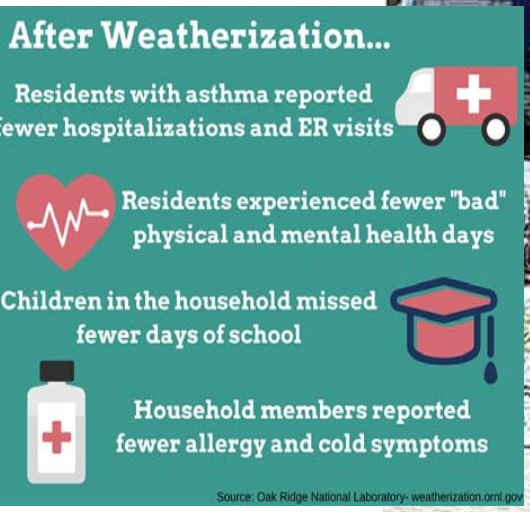
POTENTIAL PROGRAM 1

Workforce Housing Down Payment Grants

Grant Amount:	5% up to $15,000
Recommended Max Annual Budgeted Expenditure:	$ 500,000
Ten Year Cost:	$ 5,000,000

Criteria:

1. Must meet 80% or less AMI Income for Family of 2
2. Must be mainted as primary residence
3. Lien recorder against property until in full term ends
4. Applicant must pay at least 1% of home purchase price
5. 10% per year forgiveness; balance would be due if homeowner sells the home or home is sold before 10 years
6. Home must be in South Jordan



POTENTIAL PROGRAM 2

Housing Rehab/Weatherization Grants

Grant Amount:	5% up to $10,000
Recommended Max Annual Budgeted Expenditure:	$ 200,000
Ten Year Cost	$ 2,000,000

Approved uses:
- Heating/Air Conditioning Systems
- Weatherization of exterior such as windows, doors, siding repair, reroofing, etc.

Criteria:

1. Must meet 80% or less AMI Income for Family of 4
2. Must not be in default of any outstanding real property or consumer loans
3. Must be primary residence
4. Building permits are required when applicable
5. Regardless of whether or not a permit is required, an inspection on the approved project by the RDA is required before funds are dispersed
6. Only one loan person or property is allowed at any given time
7. Lien recorder against property until paid in full
8. Home must be in South Jordan

SOUTH JORDAN RDA HOUSING FUNDS

Potential Projects/Programs

July 16, 2019

Attachment B
7-16-19 Study Mtg.

Potential Workforce Housing and other Eligible Projects for the RDA Housing Money

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Potential Programs/Projects

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Senior Housing Portion Estimate--	
--Including Site Development	$14,817,593
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Total WFH Cost:	$ 540,000
Revelopment Cost:	$ 360,000
Cost per WFH Unit for Redevelopment:	$ 40,000
Total Cost per WF Unit	$ 100,000
Total Cost for Proposal	**$ 900,000**

3 Unnamed Potential Project

Project Location:	ND
Project Acreage:	6
Number of Parcels to Assemble	13
Market Rate Units	23
Market Rate Unit Value	393,000
WFH Units	10
WFH Unit Sale Price	280,000
Total Units:	33
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Total Cost for Proposal	**$ 3,630,000**

4 Workforce Housing Down Payment Program

Grant Amount:	up to $15,000
Recommended Max Annual Budgeted Expenditure:	$ 500,000
Ten Year Cost:	**$ 5,000,000**

5 Housing Rehab Program

Grant Amount:	up to $10,000
Recommended Max Annual Budgeted Expenditure:	$ 200,000
Ten Year Cost	**$ 2,000,000**

Approved uses: Heating/Air Conditioning Systems
Weatherization of exterior such as windows, doors, siding repair, reroofing, etc.

Attachment c
7-16-19 Study Mtg.

From: J. Craig Smith
To: Brian Preece, South Jordan RDA
Date: April 15, 2019
Re: Affordable and Income-Targeted Workforce Housing

The Redevelopment Agency of South Jordan City (the "**Agency**") possesses certain funds designated as Affordable Income Targeted Housing funds (collectively, "**Housing Allocation Funds**") that have been collected from various Project Areas of the Agency within South Jordan City ("**City**").

Authorized Use of Funds
Housing Allocation Funds may be used for various purposes including to:

(i) pay part or all of the cost of land or construction of income targeted housing within the boundaries of the agency, if practicable in a mixed income development or area;

(ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundaries of the agency;

(iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundaries of the agency;

(iv) plan or otherwise promote income targeted housing within the boundaries of the agency;

(v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where blight has been found to exist; and

(vi) replace housing units lost as a result of the project area development; and

(vii) relocate mobile home park residence displaced by project area development.[1]

"Income targeted housing" is a household whose income is at or below 80% of the median annual income for a family within the county.[2] "Income targeted housing" is used throughout the authorized uses listed in Utah Code Annotated §17C-1-412.

The Agency may also "lend, grant, or contribute funds" for affordable housing or homeless assistance.[3] The Agency may also use Housing Allocation Funds, within the

[1] See Utah Code Annotated §17C-1-411 and 412.

[2] Utah Code Annotated §17C-1-102(32)

[3] See Utah Code Annotated §17C-1-411.

Agency's boundaries, to increase, improve, or preserve the affordable housing supply, or replace housing units lost by project area development.[4]

Critical Workforce Housing Support

To provide affordable housing for the City's critical workforce including first responders (Police, Fire, EMT), teachers at public schools, and municipal workers (collectively, "**Critical Workforce**"), the Agency may use its Housing Allocation Funds to reduce the cost to either purchase or rent housing units in the City for the City's Critical Workforce ("**Workforce Housing Units**").

The Workforce Housing Units' maximum purchase price or annual rent amount will be reduced through the use of Housing Allocation Funds as determined by the Agency. In addition, safeguards will be added to require employment as Critical Workforce during the amortization period of the discount created by the Agency's use of Housing Allocation Funds.

The Workforce Housing Units will be deed-restricted in such a manner to ensure that the properties remain moderate income housing for a specified number of years, typically 20 to 30 years.

In order for Critical Workforce to qualify to purchase the Workforce Housing Units, that are not located in a project area of the Agency, the household's annual income must meet be less than 80% of the Salt Lake County household median income for the most recent year listed on the United States Census Bureau website (the "income targeted housing" threshold). (Salt Lake County household median income for 2017 was $67,922, making the 80% threshold $54,338.)

Housing-Related Improvements

The Agency may also use funds for purposes ***related to*** housing units in a project area, including infrastructure and facilities.[5]

Conclusion

Utah law provides for numerous uses of the Agency's Housing Allocation Funds, both within specific project area developments and within the general boundaries of the Agency.[6] In general, the Agency is expected to use the Housing Allocation Funds for income targeted housing projects, account for lost housing units from development, and help combat blighted neighborhoods in project areas.

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[4] Utah Code §17C-1-102 defines "affordable housing" as "housing owned or occupied by a low or moderate income family, as determined by resolution of the agency."

[5] Utah Code §17C-1-411(1)(a).

[6] In fact, new legislation approved in 2019 permits an Agency to contribute to housing located outside of its boundaries to support college housing improvements. *See* 2019 Utah Laws H.B. 185.