



7505 South Holden Street
Midvale, UT 84047
(801) 567-7200
www.midvalecity.org

**REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
May 18, 2021**

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold an electronic and in-person meeting on the **18th day of May 2021** as follows:

Electronic & In-Person City Council Meeting

This meeting will be held electronically and in-person. Those choosing to attend the meeting in person will be required to wear a face mask (covering their mouth and nose) and practice social distancing. The City seeks to provide safe options for the public to participate in-person and electronically that comply with state and local regulations, as well as common sense.

The meeting will be broadcast on the following:

You Tube: www.MidvaleCity.org/YouTube

If you would like to provide public comments electronically, please email your comments to Lmagness@midvale.com prior to the completion of the public comments portion of the meeting. You may also submit comments if the Mayor and City Council open a specific agenda item to public comment. These comments will be read aloud in the meeting and will be part of the public record. When commenting, please:

- Limit your comments to 400 words (the equivalent of 3 minutes)
- Include your first and last name • Include your city of residence (optional)
- Include the name of the Agenda item

6:00 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS

A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS

Any person wishing to comment on any item not otherwise scheduled for public hearing on the Agenda may submit their comment via email to Lmagness@midvale.com prior to the completion of this portion of the meeting. Items brought forward to the attention of the Board will be turned over to staff to provide a response outside of the Meeting.

III. CONSENT AGENDA

- A. Consider Approval of the May 4, 2021 Minutes [*Rori Andreason, HR Director/City Recorder*]

IV. ACTION ITEMS

- A. Consider Resolution No. 2021-08RDA Approving the Main street Community Development Tax Increment Interlocal Cooperation Agreement between Central Utah Water Conservancy District (CUWCD) and the Redevelopment Agency of Midvale City [*Cody Hill, Redevelopment Agency Manager*]

V. DISCUSSION ITEMS

- A. Discuss Main Street CDA – Upper-Floor Affordable Housing Initiative [**Patrick O'Brien, Housing Manager**]
- B. Discuss Main Street CDA Interlocal Agreement with Jordan Valley Water Conservancy District [**Cody Hill, Redevelopment Agency Manager**]

VI. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working day notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at www.midvalecity.org and the State Public Notice Website at <http://pmn.utah.gov>. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

PLEASE SILENCE CELL PHONES DURING THE MEETING

DATE POSTED: May 14, 2021

**RORI L. ANDREASON, MMC
H.R. DIRECTOR/CITY RECORDER**



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday May 4, 2021

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Robert M. Hale

BOARD MEMBERS: Board Member Quinn Sperry
Board Member Bryant Brown
Board Member Heidi Robinson
Board Member Paul Glover
Board Member Dustin Gettel

STAFF: Matt Dahl, City Manager; Rori Andreason, HR Director/City Recorder; Lisa Garner, City Attorney; Kyle Maurer, Administrative Services Director; Glen Kennedy, Public Works Director; Laura Magness, Communications Director; Chief Randy Thomas, UPD; Matt Pierce, IT Director; and Noah Lee, IT Technician.

Chair Hale called the meeting to order at 10:41 p.m.

This meeting will be held electronically and in-person. Those choosing to attend the meeting in person will be required to wear a face mask (covering their mouth and nose) and practice social distancing. The City seeks to provide safe options for the public to participate in-person and electronically that comply with state and local regulations, as well as common sense.

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- Include your first and last name • Include your city of residence (optional)
- Include the name of the Agenda item

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Quinn Sperry, Bryant Brown, Heidi Robinson, and Paul Glover were present at roll call.

Chair Hale said Public Comments are read into the record by City staff during the "Public Comments" and "Public Hearings" portions of the meeting. City staff will only

read into the record the equivalent of three minutes. So, please be concise with your statements. Thank you for your input!

II. PUBLIC COMMENTS

There was no one who desired to speak.

MOTION: Board Member Quinn Sperry **MOVED** to open the public hearing. The motion was **SECONDED** by Board Member Dustin Gettel. Chair Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

III. PUBLIC HEARINGS

A. CONSIDER ADOPTION OF THE REDEVELOPMENT AGENCY OF MIDVALE CITY FISCAL YEAR 2022 TENTATIVE BUDGET BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022

Cody Hill said as part of the Fiscal Year 2022 Budget approval process, staff will be presenting a Tentative Operating Budget for the Redevelopment Agency at the meeting. Staff will update the Board on the revenue estimates and provide a brief overview of the expenditures, highlights, and program changes.

RDA Mission, Vision & Values

Commitment to City Goals of Housing, Beautification, Historical Preservation: We are committed to providing quality housing at an affordable rate to meet the current and future needs of Midvale residents. This provides an opportunity for success in educational, employment and health pursuits. Our commitment to preserving and beautifying the character of where we live reflects on the contributions of the past to the success of the future. This commitment ensures that we preserve the historical character of Midvale.

Commitment to Responsible Growth: We are committed to responsible growth which balances the needs of local businesses, enhances the resident community quality of life, and encourages well-planned economic.

FISCAL IMPACT

The tentative budget provides a starting point to discuss the operating budget for Fiscal Year 2021 prior to final approval.

Overview

Redevelopment Agency - Overview

	Budget FY2021	Reccomended FY2022	Difference	Percent Change
Revenues:				
Bingham Junction RDA Tax Increment	7,430,000	7,830,000	400,000	5.4%
Jordan Bluffs RDA Tax Increment	-	1,090,080	1,090,080	0.0%
All Funds Interest Earnings	170,100	48,000	(122,100)	-71.8%
TOTAL REVENUES	\$ 7,600,100	\$ 8,968,080	\$ 1,367,980	18.0%
Expenditures:				
Operations	808,895	614,179	(194,716)	-24.1%
Bingham Junction	\$ 5,853,985	\$ 4,896,685	(957,300)	-16.4%
Jordan Bluffs	\$ 112,000	\$ 650,315	538,315	480.6%
Main Street	\$ 379,500	\$ 1,510,000	1,130,500	297.9%
Public Art Maintenance	\$ 50,000	\$ -	(50,000)	-100.0%
Program Income	\$ 24,200	\$ -	(24,200)	-100.0%
Project Area Housing	\$ 194,200	\$ -	(194,200)	-100.0%
City-Wide Housing	\$ 1,860,500	\$ 1,228,491	(632,009)	-34.0%
TOTAL EXPENDITURES	\$ 9,283,280	\$ 8,899,670	\$ (850,409)	-4.1%

RDA Operations

Redevelopment Agency - Operations

	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 867,271	\$ 808,895	\$ 600,994	\$ 614,179	\$ (194,716)	-24.1%
Expenditures:						
Total Personnel	321,398	412,195	307,915	324,541	(87,654)	-21.3%
Total Operating	368,846	396,700	236,677	289,638	(107,062)	-27.0%
TOTAL EXPENDITURES	\$ 690,244	\$ 808,895	\$ 544,592	\$ 614,179	\$ (194,716)	-24.1%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	\$ 177,027	\$ -	\$ 56,402	\$ -	\$ -	-

RDA Operations Bingham Junction Jordan Bluffs Main Street Public Art Program Income Project Area Housing City -Wide Housing

Bingham Junction Project Area

Redevelopment Agency - Bingham Junction Project Area

	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 8,492,644	\$ 7,580,000	\$ 7,868,565	\$ 7,870,000	\$ 290,000	3.8%
Expenditures:						
TOTAL EXPENDITURES	\$ 27,326,917	\$ 7,643,580	\$ 2,075,653	\$ 8,917,261	\$ -	16.7%
NET REVENUES OVER/(UNDER) EXPENDITURES						
	(18,834,273)	(63,580)	5,792,912	(1,047,261)	290,000	

RDA Operations **Bingham Junction** Jordan Bluffs Main Street Public Art Program Income Project Area Housing City -Wide Housing

Jordan Bluffs Project Area

Redevelopment Agency - Jordan Bluffs Project Area

	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 157,399	\$ 112,000	\$ 921,061	\$ 1,090,080	\$ 978,080	873.3%
Expenditures:						
TOTAL EXPENDITURES	\$ 195,399	\$ 112,000	\$ 417,592	\$ 1,086,347	\$ (91,685)	870.0%
NET REVENUES OVER/(UNDER) EXPENDITURES						
	(38,000)	-	503,469	3,733	1,069,765	

RDA Operations Bingham Junction **Jordan Bluffs** Main Street Public Art Program Income Project Area Housing City -Wide Housing

Main Street Project Area

Redevelopment Agency - Main Street Project Area						
	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 25,000	\$ 379,500	\$ 249,375	\$ 1,693,000	\$ 1,313,500	578.9%
Expenditures:						
TOTAL EXPENDITURES	\$ 6,456	\$ 379,500	\$ 260,601	\$ 1,510,000	\$ 1,130,500	479.4%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	18,544	-	(11,226)	183,000	183,000	

RDA Operations Bingham Junction Jordan Bluffs **Main Street** Public Art Program Income Project Area Housing City -Wide Housing

Public Art Maintenance

Redevelopment Agency - Public Art Maintenance Fund						
	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ -	\$ 50,000	\$ -	\$ -	\$ (50,000)	0.0%
Expenditures:						
TOTAL EXPENDITURES	\$ -	\$ 50,000	\$ -	\$ -	\$ (50,000)	-100.0%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	-	-	-	-	-	

RDA Operations Bingham Junction Jordan Bluffs Main Street **Public Art** Program Income Project Area Housing City -Wide Housing

Program Income

Redevelopment Agency - Program Income						
	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 409	\$ 24,200	\$ 104	\$ -	\$ (24,200)	-5913.1%
Expenditures:						
TOTAL EXPENDITURES	\$ -	\$ 24,200	\$ -	\$ -	\$ (24,200)	0.0%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	409	-	104	-	-	

RDA Operations Bingham Junction Jordan Bluffs Main Street Public Art

Program Income Project Area Housing City -Wide Housing

Project Area Housing

Redevelopment Agency - Project Area Housing						
	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 3,204	\$ 3,100	\$ 815	\$ -	\$ (3,100)	-100.0%
Expenditures:						
TOTAL EXPENDITURES	\$ -	\$ 194,200	\$ -	\$ -	\$ (194,200)	-100.0%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	3,204	(191,100)	815	-	191,100	

RDA Operations Bingham Junction Jordan Bluffs Main Street Public Art Program Income

Project Area Housing City-Wide Housing

City-Wide Housing

Redevelopment Agency - City-Wide Housing

	Actual FY2020	Budget FY2021	Year to Date FY2021	Recommended FY2022	Difference	Percent Change
Revenues:						
TOTAL REVENUES	\$ 519,368	\$ 512,000	\$ 515,496	\$ 2,132,413	\$ 1,620,413	316.5%
Expenditures:						
TOTAL EXPENDITURES	\$ 5,870	\$ 1,860,500	\$ -	\$ 1,228,491	\$ (632,009)	-34.0%
NET REVENUES OVER/(UNDER)						
EXPENDITURES	513,498	(1,348,500)	515,496	903,922	2,252,422	

RDA Operations Bingham Junction Jordan Bluffs Main Street Public Art Program Income Project Area Housing

City-Wide Housing

Board Member Dustin Gettel asked what the total budget for all of the projects of the RDA.

Cody Hill said total expenditures are \$8.8 million.

Chair Hale opened the hearing to public comment.

There was no one who desired to speak.

MOTION: Board Member Bryant Brown MOVED to close the public hearing. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

ACTION: **ADOPT RESOLUTION NO. 2021-07RDA ADOPTING THE REDEVELOPMENT AGENCY OF MIDVALE CITY FISCAL YEAR 2022 TENTATIVE BUDGET BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022**

MOTION: Board Member Bryant Brown MOVED to Adopt Resolution No. 2021-07RDA Adopting the Fiscal Year 2022 Redevelopment Agency of Midvale City Tentative Budget beginning July 1, 2021 and ending June 30, 2022. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown Aye
Board Member Dustin Gettel Aye
Board Member Paul Glover Aye
Board Member Quinn Sperry Aye
Board Member Heidi Robinson Aye
The motion passed unanimously.

IV. CONSENT AGENDA

A. CONSIDER APPROVAL OF THE APRIL 20, 2021 MINUTES

B. SET DATE AND TIME [JUNE 1, 2021 AT 7:00 P.M.] FOR A PUBLIC HEARING TO CONSIDER THE FY2022 FINAL BUDGET BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022.

MOTION: Board Member Quinn Sperry MOVED to approve the consent agenda. The motion was SECONDED by Board Member Bryant Brown. Chair Hale called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown Aye
Board Member Dustin Gettel Aye
Board Member Paul Glover Aye
Board Member Quinn Sperry Aye
Board Member Heidi Robinson Aye
The motion passed unanimously.

V. ADJOURN

MOTION: Board Member Quinn Sperry MOVED to adjourn the meeting. Board Member Bryant Brown SECONDED the motion. Chair Hale called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 10:52 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 18th day of May 2021



MIDVALE REDEVELOPMENT AGENCY SUMMARY REPORT

MEETING DATE: MAY 18TH, 2021

SUBJECT: Present, discuss, and consider adopting the Interlocal Cooperation Agreement between Central Utah Water Conservancy District (the “District”) and the Agency concerning the Main Street Community Development Area (“Main Street CDA”)

SUBMITTED BY: Cody Hill, RDA Manager

SUMMARY: The District’s governing board met on April 18th and approved and adopted the Interlocal Cooperation Agreement between the District and the Agency concerning participating tax increment toward the Main Street CDA. The terms for participation are nearly identical to those included in the ILA between the other local taxing entities and the Agency:

- 60% participation for 20 years
- Trigger by March 2024
- A total tax increment collection cap of \$491,000 or \$857,000 if the Main Street CDA hits the benchmark *by March 2025*
- The benchmark is a single nonresidential project completed or commenced by 3/2025 with a taxable value of at least \$60,000,000

Once the Agency adopts the ILA, publishes it, and waits 30 days, the ILA will be executed and fully in place.

FISCAL IMPACT:

The District’s contribution makes up about 3% of Main Street CDA’s budget. Under the Primary Budget, this will amount to \$491,000 over 20 years or \$857,000 under the Contingency Budget.

STAFF RECOMMENDATION: Agency staff recommends the Agency Board approve and adopt the Interlocal Cooperation Agreement between Central Utah Water Conservancy District for the participation of property tax increment to support the Main Street Community Development Area by adopting Resolution No. 2021-08RDA

RECOMMENDED MOTION: I move that we adopt Resolution No. 2021-08RDA which enters the Agency into the Interlocal Cooperation Agreement between Central Utah Water Conservancy District for the participation of property tax increment to support the Main Street Community Development Area

ATTACHMENTS: Resolution No. 2021-08RDA

RESOLUTION NO. 2021-08RDA

A RESOLUTION APPROVING AND ADOPTING THE MAIN STREET COMMUNITY DEVELOPMENT TAX INCREMENT INTERLOCAL COOPERATION AGREEMENT BETWEEN CENTRAL UTAH WATER CONSERVANCY DISTRICT AND THE REDEVELOPMENT AGENCY OF MIDVALE CITY

WHEREAS, the Redevelopment Agency of Midvale City (the “Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, the Agency wishes to consider this Resolution, in which the Agency would approve, adopt, and enter into the Interlocal Cooperation Agreement (the “Agreement”) with Central Utah Water Conservancy District (the “District”) (**Exhibit A**) pursuant to Utah Code Annotated (“UCA”) § 17C-4-201; and

WHEREAS, on November 15, 2015, Midvale City (the “City”) adopted the Main Street Community Development Area’s Project Area Plan (**Exhibit B**) through Ordinance No. 2015-O-14 pursuant to UCA § 17C-4-105, and fulfilled all public hearing and noticing requirements associated with adopting a community development area plan outlined in UCA § 17C-4-401 and 17C-4-107; and

WHEREAS, the Redevelopment Agency of Midvale City (“Agency”) revised and adopted a Main Street Community Development Area Budget (**Exhibit C**) through Resolution No. 2020-12RDA pursuant to UCA § 17C-4-204 and which Budget illustrates that the District will receive a net fiscal benefit and enjoy significant economic and social impacts, and

WHEREAS, the Agency is seeking public support from the local taxing entities, including the District by securing funding through pledged property tax increment through an interlocal cooperation agreement (**Exhibit A**); and

WHEREAS, the meeting in which this Resolution was adopted and in which the Agency’s related Resolution was adopted were both conducted in open and public meetings pursuant to UCA § 17C-4-202; and

WHEREAS, the City and Agency have supported the creation of the Small Area Plan and the form-based code and, with the support from the Main Street CDA, will aid in the redevelopment of the historic Main Street Area (the “Area”).

This Resolution shall become effective once notice is published in a newspaper of general circulation in accordance with UCA § 17C-4-202(3) and may be contested for 30 days after the effective date pursuant to UCA § 17C-4-202(4).

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY AS FOLLOWS:

1. The Central Utah Water Conservancy District Board of Trustees hereby agrees to and enters into the Main Street Community Development Tax Increment Interlocal Cooperation Agreement (**Exhibit A**) with the Redevelopment Agency of Midvale City.

2. Pursuant to UCA § 17C-4-201, the Interlocal Cooperation Agreement specifies that:
 - 2.1. The Agency will be provided with tax increment, and tax increment will be calculated using the Tax Year 2019 value of the Area. The TY2019 value of the Area is estimated to be \$58,774,598, though this figure may be amended if the Salt Lake County Assessor's Office finds to TY2019 value to differ from the estimated value of \$58,774,598.
 - 2.2. The collection period of project area funds is no more than 20 years or until a cap amount is reached, whichever comes first. The Agency will trigger the Project Area for collection no later than March 1, 2024.
 - 2.3. The Agency is permitted to collect 100% of the property tax increment from the District. The Agency will then remit 40% of the property tax increment back to the District.
 - 2.4. There are two possible maximum cumulative dollar amounts ("cap amount[s]" or "cap[s]") of tax increment from the District that the Agency will be paid. The first cap amount is for the Primary Budget and limits the Agency to collect and retain \$491,000. The second cap is for the Contingency Budget, which is automatically triggered once a single, nonresidential project is completed with an assessed taxable value of \$60,000,000 or higher. The cap under the Contingency Budget would increase to \$857,000 collected and retained property tax increment.
 - 2.5. The Agreement does not contemplate any participation involving incremental sales tax revenues.
3. The Agency will be responsible for all noticing and filing requirements, including publishing notice in the newspaper (UCA § 17C-4-202[3]) and filing a copy of the Agreement with each required party and entity pursuant to UCA § 17C-4-203(1).
4. Pursuant to UCA § 17C-4-201(7)(a), the District and Agency may amend the Agreement from time to time.

**PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY
BOARD OF DIRECTORS ON THIS _____ DAY OF _____, 2021 BY THE
FOLLOWING VOTE:**

Robert M. Hale
Chief Administrative Officer

Kane Loader
Executive Director

ATTEST:

Rori L. Andreason, MMC
Secretary

Voting by the Board of “Aye”		“Nay”
Directors:		
Bryant Brown	_____	_____
Paul Glover	_____	_____
Quinn Sperry	_____	_____
Paul Hunt	_____	_____
Dustin Gettel	_____	_____



Redevelopment Agency of MIDVALE CITY Discussion Memo

MEETING DATE: MAY 18TH, 2021

SUBJECT: Main Street CDA – Upper-Floor Affordable Housing Initiative

SUBMITTED BY: Patrick O'Brien, Housing Manager

SUMMARY:

The Main Street area is a central part of Midvale. Its revitalization is key to Midvale's future. Staff are presenting the Main Street Upper-Floor Affordable Housing Initiative, that seeks to promote and incentivize the development of moderate-income housing along Midvale's historic Main Street, and in the neighborhoods within the Main Street CDA (see attached map). The goal of the initiative is to encourage further residential growth in the Main Street area, especially in current commercial or retail properties along the Main Street that have vacant upper-floor space. The initiative also seeks to provide an incentive to develop upper floors for residential purposes on current single-story properties, as well as providing an incentive to develop currently vacant lots with a goal of increasing the number of residential units along the Main Street.

The initiative is divided into three different components:

1. Existing Structures with Upper Floors
2. Existing Structures that are Single Story
3. Vacant Sites

The Initiative seeks to accomplish a number of goals. They are outlined as follows:

- Increase housing opportunities along the Midvale Main Street
- Assist developers in overcoming multi-story development & parking related costs
- Increase Moderate-Income housing opportunities in a central location
- Bring an influx of residents that will contribute to the vitality of the Main Street
- Encourage mixed-use of properties and promote a mixed-use lifestyle
- Create a unique sense of place
- Meet the goals of the Midvale City Housing Plan and Midvale Main Street Small Area Plan
- Decrease the crime rate through passive surveillance (more eyes on the street)
- Utilize affordable housing funds from Bingham Junction and Jordan Bluffs Project Areas (without requiring repayment of funds)

Staff will be prepared to discuss the proposal and provide further information for the RDA Board.

ATTACHMENTS:

Midvale Main Street Upper Floor Affordable Housing Initiative Program Document

MAIN STREET HOUSING INITIATIVE



MAY 18TH, 2021

**Midvale Redevelopment Agency
Prepared by: Patrick O'Brien**



MAIN STREET HOUSING INITIATIVE

Introduction

The Main Street Upper-Floor Affordable Housing Initiative (the “Initiative”) is intended to promote and incentivize the development of moderate-income housing along Midvale’s historic Main Street, and in the neighborhoods within the Main Street CDA (see attached map). The goal of the initiative is to encourage further residential growth in the Main Street area, especially in current commercial or retail properties along the Main Street that have vacant upper-floor space. The initiative also seeks to provide an incentive to develop upper floors for residential purposes on current single-story properties, as well as providing an incentive to develop currently vacant lots with a goal of increasing the number of residential units along the Main Street.

The initiative is divided into three different components:

1. Existing Structures with Upper Floors
2. Existing Structures that are Single Story
3. Vacant Sites

In each instance, the qualifications, process, and scope and terms of funding are outlined for each possible option that a property owner may wish to apply under.

***“Midvale has always been the heart of the Salt Lake Valley”
– Mayor Robert Hale, 2019***

Overview

The Main Street Upper-Floor Affordable Housing Initiative (the “Initiative”) will assist and encourage property owners interested in mixed-use development on Main Street as specified in the form-based code and Main Street Small Area Plan, with the redevelopment or addition of upper floor space as high-quality rental housing for 80% AMI or below. The building must have retail or commercial on the first floor and the residential units must be vacant or not up to the State of Utah Building Code. This program also allows for the construction of additional upper floors to an existing single-story property or new redevelopment property, with the intended use of the added floor being for affordable housing. Under this program, owners may obtain funds from the Redevelopment Agency of Midvale City (the “Agency”) for costs associated with the redevelopment or addition of the residential space.

Goals of the Initiative

The Main Street Upper Floor Affordable Housing Initiative is supported by the Midvale City Housing Plan and Midvale Main Street Small Area Plan. Both Plans seek to address the need for increased housing in strategic and underserved parts of the community. The Main Street area is an important part of Midvale. It is the historical core, and ultimately, it is the heart of Midvale. By bringing life back to the Main Street area, the rest of the City will benefit from a vibrant main street. The Initiative seeks to accomplish a number of goals. They are outlined as follows:

- Increase housing opportunities along the Midvale Main Street
- Assist developers in overcoming multi-story development & parking related costs
- Increase Moderate-Income housing opportunities in a central location
- Bring an influx of residents that will contribute to the vitality of the Main Street
- Encourage mixed-use of properties and promote a mixed-use lifestyle
- Create a unique sense of place
- Meet the goals of the Midvale City Housing Plan and Midvale Main Street Small Area Plan
- Decrease the crime rate through passive surveillance (more eyes on the street)
- Utilize affordable housing funds from Bingham Junction and Jordan Bluffs Project Areas (without requiring repayment of funds)

Location

The property must be within the Main Street CDA (see attached map in Figure 1). Residential components of the project must be located on the upper floors of Main Street properties that have or will have a ground floor commercial or retail use. Properties seeking to utilize the financial aid for upper floor additions must currently have a ground floor commercial or retail use, or ability to utilize the space for such use. All new construction must comply with the Main Street Form-based Code.

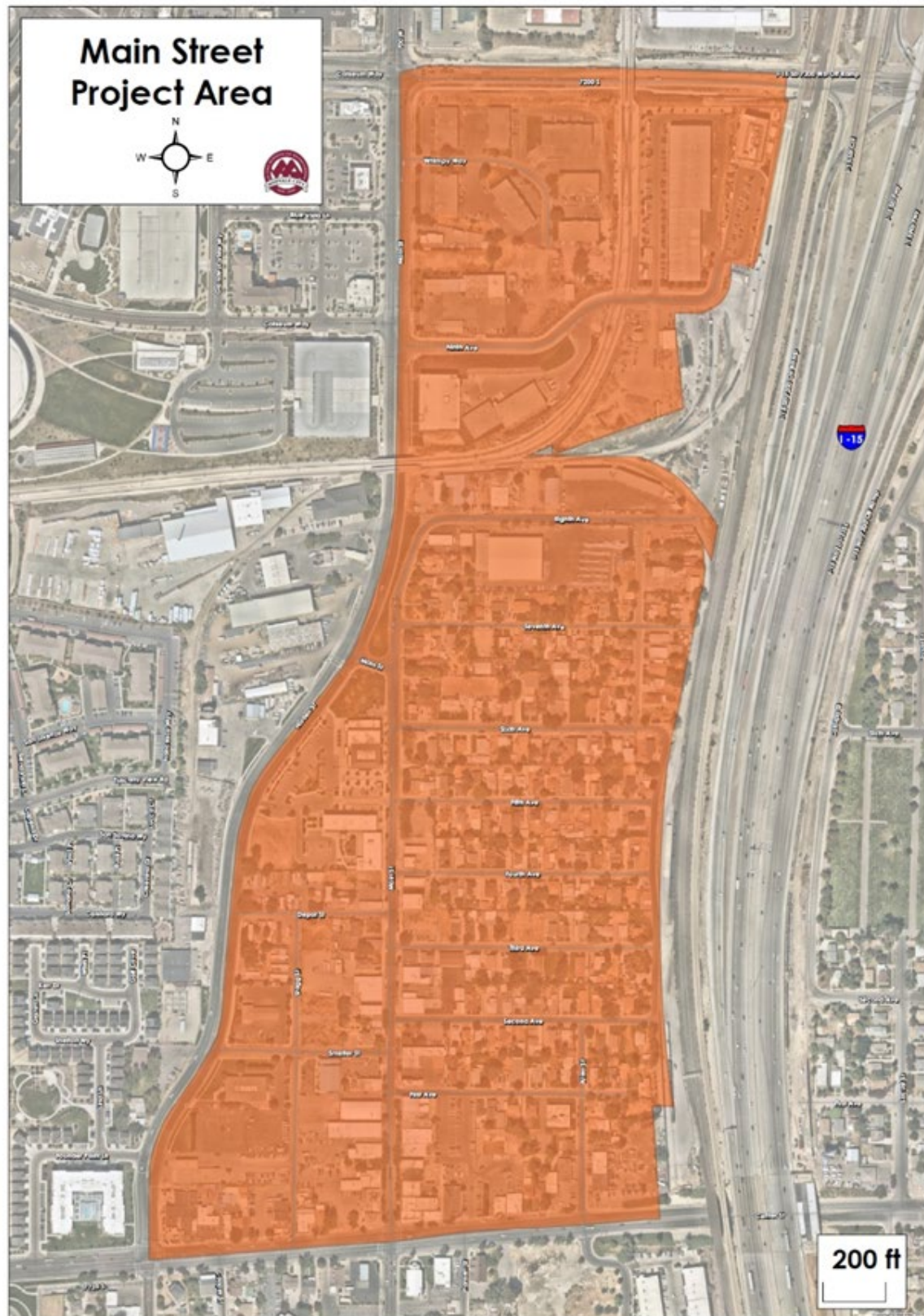


Figure 1: Main Street CDA (in orange)

Details of Program Funding:

- Initial Program Budget - \$5,000,000
- Agency Participation – this will be determined based on available funding and how well the proposed project aligns with the Initiative’s guidelines and standards as adopted by the Redevelopment Agency Board. . Guidelines and standards include total unit count, in addition to the proposed AMI levels, and length of deed restriction
- Maximum Agency Assistance – Up to 50% of total development cost of the residential component of the project. The Maximum Agency Assistance may be modified at the Agency’s sole discretion.
- Per Unit Limit – Assessed based on available funding and how well the proposed project aligns with the Initiative’s guidelines and standards as adopted by the Redevelopment Agency Board. Factors that will impact the per unit limit include deed restriction length and AMI level served.

Funding Terms/Scope of Work

- The Agency will fund up to 50% of the total cost to rehabilitate or construct the residential units based on funding availability. Maximum total Agency assistance is determined based on available funding and how well the proposed project aligns with the Initiative’s guidelines and standards as adopted by the Redevelopment Agency Board. Important factors include the overall proposed unit count, length of deed restriction, and AMI levels.
- All funding will be provided in accordance with the Agency’s forgivable loan.
- Real estate loans shall be evaluated based on:
 - Projects should have at least 1.2 projected debt coverage ratio at post completion after residency.
 - The loan to value ratio should be no greater than 90%, which must be supported by an appraisal or current value prior to funding. If greater than 90% is proposed, outside collateral sufficient to provide 80% loan to value ratio may be required. Outside guarantees may suffice for additional collateral and will be evaluated at the Agency’s sole discretion.

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- The development costs will be evaluated based on staff estimates and comparisons to development costs of similar properties, and in the Agency's sole discretion.
 - Development team must have capacity to complete the project as demonstrated by past projects and will be assessed by the Agency in its sole discretion.
- Agency funding will be secured by a deed restriction on the property. The loan will be forgiven in its entirety if the property remains in compliance as moderate-income housing for 60% - 80% AMI for a period of fifteen years (or another agreed upon timeframe).
 - Reasons for non-compliance include but are not limited to failing to comply with property maintenance requirements and the State of Utah Building Code, failing to maintain good standing with the City and County regarding taxes and ordinances, failing to complete the project within the agreed upon timeline, and failing to rent the residential units at the approved AMI levels (60% - 80%, or whatever is approved by the Agency Board). This includes having additional fees beyond the established rental rate which would contribute to making the units unaffordable, for example, HOA fees, parking fees, mandatory utility requirements or utility fees above those established by utility providers, etc.

Funding is handled on a reimbursement basis, contingent upon receipt of satisfactory documentation. Progress draws are allowed once per calendar quarter for no less than 10% of the total amount of the loan. A 50% retainage on all draws will be paid at the completion of the project when the project receives its Certificate of Occupancy.

The Agency, in accordance with the Initiative's policies and guidelines, will execute a development agreement with property owners that will outline the requirements and expectations of program performance, including timelines and scope of work.

The City will inspect the property and identify all code violations. All violations must be corrected. Rehab specs will be reviewed by the City. All work must be performed in accordance with Utah Building Code Standards.

Conflict of Interest

- A conflict of interest exists if an applicant is an employee, agent, consultant, officer elected or appointed official to Midvale City or Midvale City Redevelopment Agency, and if the applicant:
 - Exercises or has exercised any functions or responsibilities with respect to funds of this program
 - Participates in the decision-making process related to funds for this program
 - Is in a position to gain inside information with regard to program activities
- If a conflict of interest exists, the applicant may not obtain assistance under this program. If there is any doubt of the conflict of interest, a written waiver may be obtained from Midvale City.

Deed Restriction

- The property shall be deed restricted for a period of 15 years at a level of 60% - 80% AMI in order to be eligible for a loan. This restriction will expire after 15 years. Alternative timeframes and AMI levels are available for discussion and can be approved on a Project by Project basis.

Property Qualifications (Existing)

- Eligible properties are mixed use properties that have upper floor residential units, or single-story units with the potential to have upper floors added to the existing property. The residential units must have been vacant for a minimum period of 90 days prior to submitting application or be considered not in compliance with the State of Utah's Building Code.
- Buildings with residential units under construction at the time of application will not be eligible.
- Only owners of properties may apply for the program.
- The property must be located in the Main Street CDA project area.
- Facades visible from the public right of way must be in good condition. Agency funding under this program may not be used to improve facades. Facades must be in a condition that does not detract from the architectural character of the building. When feasible, the original design should be restored so that it is contextually appropriate.
- The property must meet all state and local codes at the completion of the rehabilitation. The City will inspect the property to ensure compliance in these standards. The Agency will evaluate on a case-by-case basis when owners propose rehabilitating or constructing only a portion of the building as part of the submitted project. The use of green construction methods and energy efficient design is encouraged in all development and is a factor for consideration in the scoring criteria.
- The property must be in compliance with applicable zoning regulations and follow the Midvale Form Based Code. Legal nonconforming properties are exempt from this requirement.

Property Qualifications (Existing Single Story)

- Eligible properties are existing single story commercial or retail units that have the ability to add upper floor residential space.
- Only owners of properties may apply for the program.
- The property must be located in the Main Street CDA project area.
- Facades visible from the public right of way must be in good condition. Agency funding under this program may not be used to improve facades. Facades must be in a condition that does not detract from the architectural character of the building. When feasible, the original design should be restored so that it is contextually appropriate.
- The property must meet all state and local codes at the completion of the rehabilitation. The City will inspect the property to ensure compliance in these standards. The Agency will evaluate on a case-by-case basis when owners propose rehabilitating or constructing only a portion of the building as part of the submitted project. The use of green construction methods and energy efficient design is encouraged in all development and is a factor for consideration in the scoring criteria.
- The property must be in compliance with applicable zoning regulations and follow the Midvale Form Based Code.

Property Qualifications (Vacant Site)

- Vacant sites are eligible for funding under this initiative. To avail of funding, developers must utilize the funding to provide moderate-income residential units on the upper floors of the proposed development.
- Only owners of properties may apply for the program.
- The property must be located in the Main Street CDA project area.
- The property must meet all state and local codes at the completion of construction. The City will inspect the property to ensure compliance in these standards. The Agency will evaluate on a case-by-case basis when owners propose rehabilitating or constructing only a portion of the building as part of the submitted project. The use of green construction methods and energy efficient design is encouraged in all development and is a factor for consideration in the scoring criteria.
- The property must be in compliance with applicable zoning regulations and follow the Midvale Form Based Code.

New Construction or Rehabilitation Process

The following documents must be provided to the RDA and CD as part of the application process:

- Certified architectural drawings,
- Energy efficiency report
- Lead and asbestos surveys
- Funding is handled on a reimbursement basis, contingent upon receipt of satisfactory documentation. Progress draws are allowed once per calendar quarter for no less than 10% of the total amount of the loan. A 50% retainage on all draws will be paid at the completion of the project when the project receives its Certificate of Occupancy.
- The program will be implemented in a way that is consistent with the City's commitment to moderate-income and affordable housing, as outlined in the Midvale City Housing Plan.
- All work must be completed by contractors, unless otherwise waived by the Redevelopment Agency. Contractors and subcontractors must be licensed by the State of Utah and be in good standing with the City prior to the commencement of work.
- Other submittal requirements:
 - statement indicating how Crime Prevention Through Environmental Design (CPTED) principles are incorporated in the project.
 - Proposed lease agreements
 - Existing condition report from certified property inspector
 - Historic condition analysis
 - Maintenance schedule
 - Art installation and/or proposed streetscape improvements
 - As the Agency shall determine is necessary

Application Process

- Project applications must be submitted prior to construction.
- Projects must score a minimum of 8 out of 10 points from items 1-10 to be eligible for consideration, and select at a minimum, one option from either item 11 or 12 of the scoring criteria list (please see attached scoring criteria).
- Property owners must submit an Upper Floor Residential Incentive application and supporting documentation.
- Applications will be reviewed and evaluated based on the scoring criteria on a quarterly basis. If multiple projects have been submitted, projects will be ranked in scoring order from highest to lowest score. As determined by the Agency, in its sole discretion, projects that garner the most points will be approved for funding. Once the balance of the program is exhausted, funding will be unavailable unless more funds are approved for this program. If two applications are received in the same quarter that garner the same amount of points and there is limited funding, funds will be awarded to the applicant that is first to complete the application and have it approved by the RDA Board.
- Approved projects must be completed within twelve to eighteen months unless an extension is approved. Extensions are approved at the Housing Manager's sole discretion.

Property Owner Qualifications

Applicants and affiliated persons and/or entities for this program must not be delinquent in obligations to pay loans, fines, liens, or other obligations owed to Midvale City, or the Agency.

All other properties owned by applicant in Midvale must be in good standing with Midvale City, including the condition of the units.

Program Management:

The Main Street Upper Floor Affordable Housing Initiative will be run by the Housing Manager, with oversight from the RDA Director. Additional support and expertise may be provided by the RDA Manager and RDA Project Manager, where necessary.

Applications will be screened and approved by the Agency's Initiative Approval Team. Applicants will be notified at the end of a review period and will be informed if their submission has been approved or rejected.

Planning related matters, inspections and permitting will all be conducted by City staff in their respective departments. Enforcement related activities may be conducted by a designated member of Unified Police Department on behalf of the City and/or Agency.

The foregoing description of the Main Street Upper Floor Affordable Housing Initiative is general in nature and will be subject to rules to be prepared by the Agency in its sole discretion. Please contact the Housing Manager for the current version of rules.

Scoring Criteria

(each item is scored as a single point. Applicants must score a minimum of 8 out of 10 points from items 1-10, and select at a minimum, 1 item from number 11 and 12)

1. In general, the proportions of the building must reflect a historic storefront with 50% of the first-floor storefront being glass.
2. There must be no peeling paint on the front façade.
3. There must be no spalling bricks or major tuck-pointing work that needs to be performed.
4. All signs must be in compliance with the current Main Street Form-Based Code requirements.
5. Windows must not be boarded or bricked up. All windows should be free of cracks and ground floor windows should not be obstructed by paper, tint, blinds, or similar materials.
6. Cornice elements must be in good repair and are all in place. They must be free of rot or missing elements.
7. Any metal on the storefront must be free of rust, corroded parts or missing elements.
8. Doors must be historic in nature and must be appropriate to the architecture of the building. In general, storefront doors must be either a half or full light. Doors to 2nd floor units can be solid but must be paneled (typically a 6-panel door). Doors must fill the entire original opening.
9. All upper story windows on the front façade must be in compliance with Main Street Form-Based Code requirements. They must be wood or aluminum clad wood windows that fill the entire original opening. If the windows were originally metal windows, they can be either metal or aluminum clad wood windows.
10. There must not be any vinyl, aluminum, cedar shake, or other artificial siding on a storefront façade.
11. The proposal must include either a Public art installation and public streetscape improvement element.
12. The development proposal must include at minimum, 3 items from the Green Building Techniques list.

Green Building Techniques

1. Most units will be within ¼ mile of one or more stops for two or more public bus lines or light-railway stops, or provide a tenant incentive for public transportation use, i.e. a subsidized pass program for all tenants.
2. All adhesives, sealants and primers used on the interior of all buildings and applied on site will comply with *Rule R307-342*. Adhesives and Sealants
3. Fifty percent (50%) of wood-based materials and products that are certified in accordance with the Forest Stewardship Council's (FSC) Principles and Criteria for wood building components
4. Install LED light bulbs in the homes
5. Utilize rapidly renewable floor materials such as bamboo, linoleum, cork or eucalyptus to cover a minimum of 25% of the floor area of each unit
6. Provide covered and secured storage facilities for securing bicycles for fifteen percent (15%) or more of building occupants inside of the building
7. Install programmable thermostats in the homes
8. Develop and implement a construction waste management plan that recycles or salvages at least fifty percent (50%) of non-hazardous construction and demolition debris



REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: May 18, 2021

ITEM TYPE: Discussion

SUBJECT: Main Street CDA ILA with Jordan Valley Water Conservancy District

SUBMITTED BY: Cody Hill, Redevelopment Agency Manager

SUMMARY: Jordan Valley Water Conservancy District ("Jordan Valley") requires the implementation of Water Efficiency Standards (attached) in areas where it will participate property tax increment. The Main Street CDA consists of four zones, Single Family Residential Zone 2, Clean Industrial, Multifamily Residential-Medium Density, and Main Street Form-Based Code. Adopting the water efficiency standards would take time and would likely occur city-wide. Agency staff propose that the ILA state that Main Street CDA may receive and retain a portion of Jordan Valley's tax increment once the City adopts water efficiency standards that meet Jordan Valley's requirements.

FISCAL IMPACT: If the City adopts acceptable water efficiency standards, Main Street CDA may collect up to \$453,000 from Jordan Valley in tax increment over 20 years or \$820,500 under the Contingency Budget. Jordan Valley's contribution makes up roughly 3% of the total Main Street CDA budget.

STAFF'S RECOMMENDATION AND MOTION:

N/A

Attachments: Jordan Valley Water Conservancy District's Water Efficiency Standards

* Note that these are Jordan Valley's proposed Water Efficiency Standards. The ILA does not require the City to adopt these or any standards. It is only *IF* the City adopts its own water efficiency standards that meet Jordan Valley's requirements, the Agency can then collect and retain a portion of Jordan Valley's tax increment.

Jordan Valley Water Conservancy District's Water Efficiency Standards

1. Purpose

The purpose of these Water Efficiency Standards is to conserve the public's water resources by establishing water conservation standards for indoor plumbing fixtures and outdoor landscaping.

2. Applicability

The following standards shall be required for all developer/contractor installed residential, commercial, institutional, and industrial construction, as applicable. The Outdoor Landscaping Standards shall also be required for new landscaping construction installed by homeowners.

3. Indoor Fixture Requirements

It is recommended and encouraged, but not mandated, that all new and future construction and future additions, remodels, or refurbishments install plumbing fixtures that have the WaterSense label, including: lavatory faucets, shower heads, sink faucets, water closets (tank and flushometer-valve toilets), and urinals, to the extent Utah law allows municipalities or local districts to require these fixtures.

4. Outdoor Landscaping Standards

All new and rehabilitated landscaping for public agency projects, private development projects, developer-installed landscaping in multi-family and single-family residential projects within the front and side yards, and homeowner provided landscape improvements within the front and side yards of single and two-family dwellings shall comply with the landscaping standards below:

Definitions

- A. Activity Zones: Portions of the landscape designed for recreation or function, such as storage areas, fire pits, vegetable gardens, and playgrounds.
- B. Active Recreation Areas: Areas of the landscape dedicated to active play where Lawn may be used as the playing surface (ex. sports fields and play areas).
- C. Central Open Shape: An unobstructed area that functions as the focal point of Localscapes and is designed in a shape that is geometric in nature.
- D. Gathering Areas: Portions of the landscape that are dedicated to congregating, such as patios, gazebos, decks, and other seating areas.
- E. Hardscape: Durable landscape materials, such as concrete, wood, pavers, stone, or compacted inorganic mulch.
- F. Lawn: Ground that is covered with grass or turf that is regularly mowed.
- G. Localscapes®: A landscaping approach designed to create locally adapted and sustainable landscapes through a basic 5-step approach (central open shape, gathering areas, activity zones, connecting pathways, and planting beds).
- H. Mulch: Any material such as rock, bark, compost, wood chips or other materials left loose and applied to the soil.

- I. Park Strip: A typically narrow landscaped area located between the back-of-curb and sidewalk.
- J. Paths: Designed routes between landscape areas and features.
- K. Planting Bed: Areas of the landscape that consist of plants, such as trees, ornamental grasses, shrubs, perennials, and other regionally appropriate plants.
- L. Total Landscaped Area: Improved areas of the property that incorporate all of the completed features of the landscape. The landscape area does not include footprints of buildings or structures, sidewalks, driveways, and other non-irrigated areas intentionally left undeveloped.

5. Landscaping Requirements

- A. All irrigation shall be appropriate for the designated plant material to achieve the highest water efficiency. Drip irrigation or bubblers shall be used except in Lawn areas. Drip irrigation systems shall be equipped with a pressure regulator, filter, flush-end assembly, and any other appropriate components.
- B. Each irrigation valve shall irrigate landscaping with similar site, slope and soil conditions, and plant materials with similar watering needs. Lawn and Planting Beds shall be irrigated on separate irrigation valves. In addition, drip emitters and sprinklers shall be placed on separate irrigation valves.
- C. Landscaped areas shall be provided with a WaterSense labeled smart irrigation controller which automatically adjusts the frequency and/or duration of irrigation events in response to changing weather conditions. All controllers shall be equipped with automatic rain delay or rain shut-off capabilities.
- D. At least 3-4 inches of Mulch, permeable to air and water, shall be used in Planting Beds to control weeds and improve the appearance of the landscaping.
- E. At maturity, landscapes are recommended to have enough plant material (perennials and shrubs) to create at least 50% living plant cover at maturity at the ground plane, not including tree canopies.
- F. Lawn shall not be installed in Park Strips, Paths, or on slopes greater than 25% or 4:1 grade, and be less than 8 feet wide at its narrowest point. To the extent reasonably practicable, Lawn shall be free from obstructions (trees, signs, posts, valve boxes, etc.).
- G. In residential landscapes, the landscaping shall adhere to the following Localscapes requirements:
 - i. If size permits, the landscaped areas of the front yard and back yard shall include a designed Central Open Shape created by using Lawn, Hardscape, groundcover, gravel, or Mulch.
 - ii. Gathering Areas shall be constructed of Hardscape and placed outside of the Central Open Shape. In a landscape without Lawn, Gathering Areas may function as the Central Open Shape.
 - iii. Activity Zones shall be located outside of the Central Open Shape and shall be surfaced with materials other than Lawn.

- iv. Paths shall be made with materials that do not include Lawn, such as Hardscape, Mulch, or other groundcover.
 - v. Lawn areas shall not exceed the greater of 250 square feet, or 35% of the Total Landscaped Area.
 - vi. Small residential lots, which have no back yards, which the Total Landscaped Area is less than 250 square feet, and which the front yard dimensions cannot accommodate the minimum 8 feet wide Lawn area requirement of the Landscaping Requirements in section F, are exempt from the 8 feet minimum width Lawn area requirement.
- H. In commercial, industrial, institutional, and multi-family development common area landscapes, Lawn areas shall not exceed 20% of the Total Landscaped Area, outside of Active Recreation Areas.
- I. Certain special purpose landscape areas (e.g. stormwater management areas, etc.) may receive exceptions from the slope limitations and other elements of the Landscaping Requirements (see Paragraph F, above). Applications to receive exceptions are to be considered on a case-by-case basis.
- J. These outdoor standards are not intended to be in conflict with other landscaping requirements as defined by Utah law, including stormwater retention requirements and low-impact development guidelines. Notwithstanding these outdoor standards, whenever any requirement may be in conflict with Utah law, such conflicting requirements shall not apply.