

CLEARFIELD CITY COUNCIL MEETING MINUTES
6:00 P.M. WORK SESSION
July 9, 2019

Artesian Springs Apartments
4197 South Main Street
Millcreek, UT 84107

PRESIDING:	Mark Shepherd	Mayor
PRESENT:	Kent Bush Nike Peterson Vern Phipps Tim Roper Karece Thompson	Councilmember Councilmember Councilmember Councilmember Councilmember
STAFF PRESENT:	JJ Allen Stuart Williams Devin Rogers Adam Favero Spencer Brimley Brad McIlrath Nick Porter Trevor Cahoon Nancy Dean	City Manager City Attorney Assistant Police Chief Public Works Director Community Development Director Senior Planner Management Intern Communications Coordinator City Recorder
EXCUSED:	Summer Palmer Eric Howes	Assistant City Manager Community Services Director

VISITORS: Ruth Jones, Chris Uccardi, Michael Rolow, Joe Torman, Matt Blocker, David Miner

Mayor Shepherd called the meeting to order at 6:30 p.m.

TOUR OF ARTESIAN SPRINGS APARTMENTS AND BIRKHILL APARTMENT HOMES

Mayor Shepherd, members of the City Council, staff, and visitors participated in a tour of the Artesian Springs Apartments located at 4197 South Main Street, Millcreek, Utah and the Birkhill Apartment Homes located at 16 East Gilbride Avenue. The tour was conducted by Joe Torman, LOTUS Company. Lotus Company was a proposed developer for the Mabey Place project and had indicated a desire to use Low Income Housing Tax Credits (LIHTC) to help fund the development. The purpose of the tour was to show the City a successful project which had been developed using the tax credits. Mr. Torman described the construction materials used for the projects. He stated market rate rents for the area were about \$1,100 per month.

Matt Blocker, LOTUS Company, explained the diversity in living type: one-bedroom, two-bedroom, and three-bedroom units. He continued LIHTC required a diversity of living types and the low income tenants were required to be dispersed between all the living types. He added the

management company also had to meet specific qualifications. Councilmember Thompson asked if the developer had seen any single family property value growth because of the social capital created through the use of LIHTC. He commented studies indicate there could be such growth in equity for the homeowner if their neighborhood is on the lower income size. Dave Miner, LOTUS, pointed out income targeting was tied to the area median income, which for Davis County was \$85,000. He continued the subsidies for the project would likely be based on 60 percent of the area median income, which translated to a family of four earning \$51,000 qualifying for a subsidy. He noted that scenario would provide a broader range of tenants as well for the Mabey Place project, but smaller subsidies than seen in other projects. Mr. Torman added that the Birkhill project was a catalyst for the sustained growth in the area of various types of housing products.

JJ Allen, City Manager, asked for the developer's perspective on the preference of LIHTC financing compared to other forms of financing. Mr. Miner explained the tax credits gave the developer substantial equity for the projects. He continued the tax credits could offset seventy to eighty percent of the capital costs of a highly subsidized project. He informed the Council that the tax credits were expected to offset the costs of the Mabey Place project by about thirty to forty percent. He added by reducing the costs of the project the developer was able to offer the rents required by the program. He also stated there was a cap on how much profit there could be on any given project and Utah Housing made sure that developers didn't make more than allowed by the program. Mr. Allen asked if the projects would include quality finishes and upgrades if they were financed through other means. Mr. Torman commented it would be very difficult to build a true market project with the same quality finishes and upgrades. He indicated that all the finishes the Council was seeing were the same as the ones being proposed for the Mabey Place project. Mr. Blocker added it was in the developer's best interest to use quality products because they needed to last and sustain their quality in accordance with the financing source. Mr. Torman also explained that the tax credit lenders performed semi-annual inspections in order to ensure continued compliance.

Councilmember Thompson asked what advantages there were to having a management company for the projects. Mr. Blocker explained the developer was required by LIHTC to have a management company experienced in processing low income tenants. He stated it was a compliance factor. Councilmember Thompson asked what the average length of occupancy was for the projects being toured. Mr. Blocker indicated the average stay was eighteen months. He added the affordable units turned over slower than the market rate units. Mr. Torman added the occupancy rate for the facilities was high at approximately ninety-seven percent.

Mayor Shepherd asked how the Mabey Place project would compare to the projects toured by the Council. Mr. Torman indicated the finishes and exteriors would be very similar to the projects toured but there was no structured parking proposed. He added that structured parking added significantly to the overall costs of the project and thereby the cost of each unit. He stated the developer intended to include the amenities viewed during the tour in the Mabey Place project as well as quality exterior and interior, which should also boost rents. He stated the developer's hope for Mabey Place was to develop a quality project that would boost rents. He continued the proposed master plan for the project included a lot of surface parking for phases

one and two while creating a project that would boost rents so future phases could include the desired structured parking.

Mr. Miner shared a handout that identified the maximum incomes by size of households that might qualify for the reduction in rents as well as the net max rents possible based on the Area Median Income (AMI) for Davis County. He provided information on how Clearfield currently compared to other communities with similar projects funded with the assistance of LIHTC. He commented it appeared Clearfield was in the middle of the pack with seven current LIHTC projects for a total of 598 units, not the highest or lowest number of projects or units on the list.

Mr. Allen asked how the City should explain or reconcile the tax credit program and its stringency and management with the list of projects in Clearfield currently benefiting from the LIHTC program. He noted the projects currently existing in Clearfield were very different especially from quality standard. Mr. Miner suggested the standards of the program had changed for the better over the last few decades. He added tenants demanded a higher quality project as well. He also explained that the developer wouldn't make its money by building the project rather by managing it over the long term, which was one of the incentives for building a quality project. He added the program required the owner of the unit to set aside in escrow a defined amount of the rent for capital improvements (not maintenance), which guaranteed the longevity of the quality of the development.

Councilmember Petersen commented the developer's presentation had identified that the program included incentives to the developer for maintaining a quality project over a long period of time. She commented that had not been the City's experience from its current stock of LIHTC funded projects. She added the aesthetics of the existing projects was a constant complaint from residents both living in the facilities, as well as those living near the facilities, and elsewhere in the community. Mr. Miner surmised that earlier projects might not have used quality products and performed proper upkeep. He indicated Utah Housing had learned from those types of projects and now required a substantial investment in rehabbing those properties. He expressed his opinion that there were failures in the early days of the program. He acknowledged standards changed and it was difficult for a twenty year old project to compete with a brand new project, but even the older project should be well maintained, clean, and updated often. He added then the project reaches about fifteen years old, developers can apply for additional tax credits to make improvements to the property. He suggested using quality projects from the beginning would make a considerable difference as well. Mr. Torman added a good management staff was key to the maintenance of the property.

Councilmember Bush asked if landscaping maintenance was part of the upkeep requirement. Mr. Torman responded landscaping maintenance was a component of the standards required by the program.

Councilmember Thompson asked about the continued maintenance standards after the first fifteen years. Dave explained there were several options available to owners to keep the project vibrant and viable for the long term.

Councilmember Petersen asked if there was anything built into the structure of the LIHTC program that would ensure the maintenance was consistent. She acknowledged the toured facilities were beautiful but Clearfield had not experienced that with other projects already in its community. She asked for some assurance that the Mabey Place project would be something the City and its residents could look to with pride. Mr. Miner responded the City would still need to approve the plans for the project. Mr. Allen suggested the question was meant for the long term of the project. Councilmember Petersen agreed and cited the experience of failures on that point from the City's past. Councilmember Roper expressed his opinion the proposed project would set a higher standard, which in turn would create the necessity for proper maintenance over the life of the project. He suggested the Mabey Place project had the potential to set Clearfield apart from every other community, in particular on its response to the issues of handling housing and growth. He described his experience in Los Angeles, California, with the National League of Cities tour where they had used similar types of financing to incentivize the community atmosphere while attempting to meet the housing affordability issue.

Mr. Allen informed the Council that the proposed master plan for the development of Mabey Place currently proposed LIHTC for phase one. Mr. Torman acknowledged that was the current plan.

DISCUSSION ON THE FINISH QUALITY OF MULTI-FAMILY DEVELOPMENT

Spencer Brimley, Community Development Director, led a discussion on the building finishes for multi-family development. He provided a handout that highlighted different samples of windows, cornices, entryways, facades, amenities, and overall development standards. He explained staff wanted to make sure the discussion was about things the City could regulate that had the potential to be pleasing to the eye aesthetically and stand the test of time because of its quality.

Windows

There was a discussion on what types of windows were desired for development: big windows, those that bring a lot of light into the dwelling, etc. Councilmember Phipps stated the type of window was not as important as the energy efficiency it created. Mr. Brimley suggested the City could use that as a factor for development because it was a livability component. Councilmember Petersen agreed and commented design should be flexible for the developer. Brad McIlrath, Senior Planner, added the Form Based Code (FBC) currently required a specific type of window that required additional design and increased construction costs. Councilmember Peterson asked if the City had a glazing requirement. Mr. McIlrath responded the City Code defined glazing by calling it transparency, which was set by building type.

Cornices

Mr. Brimley explained that cornices referred to the design of the roof line. He suggested the roof line articulation could add a lot of value to a project. Mr. McIlrath explained the FBC included requirements for parapets. He suggested the parapet was not as important as the cornice.

Councilmember Phipps expressed his opinion that breaking the roof line up was most important to him. Councilmember Peterson agreed.

Entryways

Mr. McIlrath shared examples of entryway designs that were allowed in the FBC. He asked the Council if there were any strong opinions on what entryways should look like in the FBC. He also asked if the Council wanted to allow the development community more flexibility on that design as well. Mr. Brimley added that pedestrian scale was important to look at when designing entryways and possibly allowing creativity. Councilmember Peterson commented she liked allowing creativity but was also interested in flat fronts. She added some of the architectural features might create a visibility issue for businesses. Mr. McIlrath suggested if there were flat fronts there should be requirements for some feature to cover the entryway like a canopy or awning. Councilmember Peterson asked if allowing creativity created too much ambiguity in the Code. Mr. McIlrath suggested there were entry way designs that were better used with certain types of building designs and the flexibility would allow him to help developers make those determinations. A majority of the Council appeared comfortable with allowing creativity while paying attention to how the design blended with the project.

Facades

Mr. Brimley explained that façade was about the materials and colors of a development. He commented the current trend of the industry was very little variation in building design. Mr. McIlrath explained the FBC called out materials approved for facades but there was still ambiguity that needed to be resolved. Mr. Brimley added the current conversation would help guide the FBC consultant in preparing meaningful amendments to the Code. Councilmember Peterson commented she would like to get away from buildings with a high percentage of one building material. She suggested requiring a variety of levels of vertical and horizontal articulation as well as multiple types of building materials. She expressed her opinion that she would like to see the City move away from a high percentage of stucco on projects. Mr. McIlrath asked if the Council had any objections to the use of metal materials. There appeared to be a general level of comfort with metal materials. Councilmember Bush asked that balconies facing main corridors be enclosed so any clutter would be obstructed from view.

Councilmember Phipps expressed his suggestion for a couple of guiding principles:

- Maintaining the building over the long term, and,
- Creating variety to the look and feel of development.

There appeared to be a general level of comfort from the members of the Council to allow creativity on projects under the direction of the staff.

Amenities

Mr. Brimley suggested attractive amenities brought value to a project as well as long term viability. Mr. McIlrath shared examples of communities using a point scale as a way of requiring amenities with a project. Mr. Brimley added density was a factor in what types of amenities

might be appropriate as well. Mr. McIlrath suggested the list of amenities could be tied to unit count. Councilmember Bush agreed and added the type of market would play a role as well.

Overall

Councilmember Bush suggested parking requirements be reviewed. Mr. Brimley agreed parking requirements needed constant attention given the constantly changing environment and public services.

Mr. McIlrath encouraged the Council to review the handouts and let staff know if there were any other items that needed to be discussed.

JJ Allen, City Manager, asked if there needed to be a discussion about the interiors of multi-family residential buildings. Mayor Shepherd expressed his opinion that if a developer was going to refer to a development as luxury apartments the interiors need to be distinctive. He suggested the City needed to develop a set of standards that could be applied to developments wanting to claim the distinction of being luxury units. He commented tenants would expect high end interiors and amenities in those types of developments. Councilmember Bush suggested a minimum standards list be created and adopted as part of the FBC. Councilmember Peterson referred to the General Plan and its stated objective to diversify the City's housing stock. She commented a set of standards would be a good way to implement the objective.

DISCUSSION ON THE CITY CODE, TITLE 12, SUBDIVISION REGULATIONS, CHAPTERS 7 AND 8 PRELIMINARY PLAT AND FINAL PLAT

Staff solicited feedback and direction from the Council regarding its role as the land use authority for final and amended subdivision plats. There was consensus from the Council that the land use authority for final and amended subdivision plats should be the Planning Commission because the action was administrative in nature. Councilmember Bush asked if street vacations would change. Brad McIlrath, Senior Planner, commented that designation would not change because it was legislative according to State Law. Councilmember Bush asked if the subdivision standards were being changed. Mr. McIlrath responded there were currently no changes proposed to the subdivision standards.

Councilmember Peterson moved to adjourn at 9:30 p.m., seconded by Councilmember Roper. The motion carried upon the following vote: Voting AYE – Councilmember Bush, Peterson, Phipps, Roper, and Thompson. Voting NO – None.

**APPROVED AND ADOPTED
This 28th day of August, 2019**

/s/Mark R. Shepherd, Mayor

ATTEST:

/s/Nancy R. Dean, City Recorder

I hereby certify that the foregoing represents a true, accurate, and complete record of the Clearfield City Council meeting held Tuesday, July 9, 2019.