TOWN OF SPRINGDALE

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MINUTES OF THE SPRINGDALE TOWN COUNCIL SPECIAL MEETING ON WEDNESDAY, NOVEMBER 18, 2015 AT 10:00 A.M. AT SPRINGDALE TOWN HALL, 118 LION BLVD., SPRINGDALE, UTAH.

MEMBERS PRESENT: Mayor Stanley J. Smith, Council members Mark Chambers, Adrian Player, Bill Weyher, Mike Alltucker
ALSO PRESENT: Town Manager Rick Wixom, DCD Tom Dansie and Town Clerk Darci Carlson recording. See attached sheet for citizens signed in.

Approval of agenda: Motion by Mark Chambers to approve the agenda as posted, seconded by Bill Weyher:
Weyher: Aye
Chambers: Aye
Smith: Aye
Player: Aye
Alltucker: Aye
Motion passed unanimously.

Discussion/Information/Non-action Items
General discussion & announcements: None were made

Discussion concerning the Red Hawk Development and options regarding RCAC's request to modify the development agreement: Mayor Smith said any changes to the Red Hawk development affect residents most therefore he wanted them to have a voice in the decision.

Mr. Wixom provided a brief history of the Red Hawk development and current proposal under consideration. The current discussion would move the remaining six lots from 80% AMI to 120% AMI.

Bruce Jenkins was introduced by Mayor Smith. He represented RCAC. Mr. Jenkins attended the November 10th Town Council meeting and was here again to answer questions.

Shelley Carver, resident and president of the Red Hawk Homeowner's Association, said the Board was concerned with the developers' responsibility to infrastructure including the cul de sac, gates, final plat map, turtle fence and common area and landscape.

Chuck Passek, resident of Red Hawk and a Board member said the development has a higher density and therefore it was hard to build on one lot and not affect another. If RCAC no longer had a financial interest who would be responsible for the roads, water and sewer. There were many unanswered questions. Mr. Passek did not want RCAC to go away and leave financial liabilities to current and future owners.

- Mr. Passek said he moved into the development in 2011. To him part of the draw was that it was a partnership with the Town and therefore there was a sense of security. He felt the AMI could be set at 120% for a period of time. If RCAC makes a good faith effort to sell but can't, the lots could be sold at market rate.

Rick Praetzel was a property owner in Red Hawk. He knew Color Country had a written signed agreement with the Town but asked if RCAC had one too.

- Mr. Wixom said as the successor to Color Country, RCAC was bound by the agreement.

Mr. Wixom said one issue was that Color Country was acting as a housing authority. They were marketing and selling the lots. Without them there was a gap between the lender and the lot owner, the property owners and the Town. No one was there to oversee the agreement.

Mr. Jenkins said it was unfortunate that some obligations, such as landscape, could not be fulfilled. He acknowledged if RCAC was going to sell the lots there needed to be access. Someone would have to build out the cul de sac. It would likely not be RCAC.

- Utah Affordable Housing was interested in buying the lots if they can get in at 120% AMI. At this level there was room for negotiation to identify possible buyers. Mr. Jenkins said the 10-year affordability period also needs to be dealt with.

Rick Praetzel suggested the residents and RCAC get together and discuss an agreement that makes sense for everyone.

Matt Rayner knew Utah Affordable Housing developed houses in Hurricane. He asked how the program worked.

- Mr. Jenkins said they buy the lots, build the houses and sell to people who qualify.
- Mr. Wixom said the end user has to qualify at a certain income level and the house is sold below market rate.
- At 80% AMI the projected affordability of a house would be $200,000. At 120% AMI the projected affordability of a house would be $289,000. However if the cost to put in the cul de sac was put on the homeowner, this becomes an issue.
- Mr. Jenkins said it would be fair to look at costs to develop the cul de sac and then present something more accurate cost-wise.

Mr. Jenkins said the apartments were owned by Color Country however their assets had been sold off. He was unsure of the new owner.

Shelley Carver said she was a homeowner and qualified at 120% AMI with a double income. Given savings, she was able to bring the mortgage down to an affordable rate. She now has a single income now and isn't 80% AMI and definitely not 120% AMI. With the additional costs for infrastructure she did not know how it could remain affordable. Therefore Ms. Carver felt the lots might need to sell at market value. If they go this route there should be concessions made to the Town and the residents.

Lisa Zumpft asked if it would make sense to combine three contiguous lots and build condos or apartments.

- Mr. Passek said this would be against the CCR's. It would change the nature of the single family development area and he would object. Mr. Passek said the cul de sac could possibly be eliminated if they made a straight road access instead.
- Mayor Smith said the Town wants affordable housing, but it may be better to leave the lots as open space. If the lots are sold at market rate they may not go to someone who intends to be a full-time resident. The trade-off was market rate might give the developer money to finish the infrastructure.

Scott Williams owns a lot in Red Hawk. He would like to see the lots developed as affordable properties. He said there are likely county or federal programs available to help achieve this. Since the last Council meeting he spoke to people who may be interested in these lots. If this program goes away it will mean the end to affordable housing in Springdale.

Alan Jensen questioned if the CCR's were changeable to allow for increased density. This would satisfy some concerns but still maintain the values important to residents.

Mayor Smith said there was a need in Town for affordable housing. He was not ready to give this up. The moral thing was to make RCAC whole but it must be done in a way residents can live with.

- Mr. Jenkins said affordable housing will be short-lived since the affordability period was reduced to 10 years. Those that bought low will sell high.

Mr. Wixom asked if RCAC would benefit from a tax write-off if the lots were transferred to the Town. Mr. Jenkins assumed so but would have to check. Mr. Wixom said if they were sold at a loss, or as a tax benefit, it may be attractive to RCAC.

- Mr. Passek said the CCR's dictate the homes must be owner-occupied. A long-term resident would be acceptable but not if there was rapid turnover.
- Mr. Wixom said employee housing would meet all the goals except for owner-occupied. He suggested if adequate controls were in place perhaps the Home Owner's Association would consider this option.
- Mr. Jenkins said if more than 50% of the units were rented they may not qualify for federally backed mortgages.

Matt Rayner said none of the condos he developed have resold. Many are rented to locals. Mr. Rayner said the Red Hawk market rate homes were sold but the money was gone. He therefore questioned the logic in bailing out the developer. He suggested some of the affordable lots be compensated by the market rate homes.

Mayor Smith suggested the homeowners meet with Mr. Jenkins to discuss an arrangement. Town staff would also participate to help facilitate the meeting and answer questions.

Mr. Passek thanked the Council for taking time to discuss this issue.

Adjourn:
Motion to adjourn at 10:51am by Bill Weyher: seconded by Mark Chambers:
Weyher: Aye
Chambers: Aye
Smith: Aye
Player: Aye
Alltucker: Aye
Motion passed unanimously.

Darci Carlson
Darci Carlson, Town Clerk

APPROVED: _____ DATE: 12/9/15

TOWN OF SPRINGDALE

PO Box 187 118 Lion Blvd Springdale UT 84767

ATTENDANCE RECORD
Please sign

Meeting of Town Council **on** 11/18/15

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name	email (not required)
Chuck Passek	
Sherry Caver	
Susan Winn	
Rick Pratt	
Alan Jensen	