

Minutes of the Hurricane City Council meeting held on November 16, 2023, in the Council Chambers at 147 North 870 West, Hurricane, Utah, at 4:00 p.m.

Members Present: Mayor Nanette Billings and **Council Members:** Joseph Prete, Dave Sanders, David Hirschi, Doug Heideman, and Kevin Thomas

Also Present: City Manager Kaden DeMille, City Attorney Dayton Hall, Police Chief Lynn Excell, Power Superintendent Scott Hughes, City Planner Gary Cupp, Planning Assistant Fred Resch III, Water Superintendent Ken Richins, Building Official Larry Palmer, Recreation Director Tiffani Wright, City Engineer Arthur LeBaron, Human Resource Director Sel Lovell, and City Recorder Cindy Beteag.

AGENDA

4:00 p.m. Work Meeting

1. Discussion with Managing Director Joe Spencer with Attainable Housing Agency

Joe Spencer executive director with the Attainable Housing Agency (AHA) mentioned he previously was a municipal bond advisor. His agency rents apartments to people who are at thirty percent of the area median income (AMI). He stated the average home size in Utah is the largest in the nation. The AHA is an interlocal agency that finances, maintains, protects, and promotes affordable and obtainable housing for municipal members. The AHA focuses on the finance and construction of basement apartments and ADUs. Homeowners master lease the basement apartments to the AHA through a municipal bond. The master lease is secured for ten years, and the municipal bond funds are used to transform unfinished basements into apartments. At the end of the master lease, the homeowners can rent the ADU for the total market value.

Mayor Billings reported that the owner would receive \$200 monthly over ten years to pay utilities and property taxes. She explained that the City needs to pass a resolution to join the AHA. Mr. Spencer stated the owner must repay the bond if the home is sold before the ten-year lease expires.

Councilman Prete feels a separate structure ADU is a more viable option. He asked if the homeowner has a role in vetting potential renters. Mr. Spencer reported that the AHA oversees the rental application process.

2. 4:20 p.m. Discussion with USDA-Michele Weaver

Michele Weaver, the U.S. Department of Agriculture Rural Development State Director (USDA), joined the Council meeting online. The USDA has several programs to help people obtain homes, and its mission is to improve the quality of life and economy in rural areas. They offer loans, grants, and utility services. She reviewed the guidelines for their programs: guaranteed home loans, direct home loans, rehabilitation loans and grants, self-help and site loans, and housing preservation grants.

3. 4:40 p.m. Affordable Housing discussion

Gary Cupp reported that the proposed affordable housing ordinance includes a fifteen percent density bonus, a fifty percent reduction in impact fees, and a reduction in development standards. Fred Resch III stated the City received its compliance letter from the State Department of Workforce Services. He noted that the State of Utah has determined that Hurricane City has only made progress on three goals included in the Moderate Income Housing Plan. Mr. Resch III disagrees with the assessment. He has

arranged a meeting to obtain more details on showing progress on five goals to obtain priority Utah Department of Transportation funding.

Mayor Billings noted that the legislative auditor reported that the Cities had not successfully implemented their proposals. To ensure compliance, the State might implement stronger regulations in the legislative session.

5:00 p.m. Pre-meeting - Discussion of Agenda Items, Department Reports

1. Promotion presentation of badges

Mayor Billings welcomed the officers and their families. Chief Excell expressed gratitude for the Police Department team. He explained that it is essential to acknowledge the wives and families of the Police Officers serving the community.

Chief Excell recognized Lieutenant Brisk, Deputy Chief Kurt Yates, Sergeant Darrin Richmond, and Sergeant Dan Raditz. The officers were pinned by their wives.

Fred Resch III reported sending out several short-term rental violation letters this week. He noted that there are now less than twenty unlicensed short-term rentals in Hurricane City.

Gary Cupp commented the Board of Commissioners Christmas Thank You Dinner is on December 18th at 6:00 p.m. The first workshop for the Parks and Recreation Master Plan was held last week. One hundred twenty-six surveys were received online. There are a lot of requests for more trails, open spaces, sports courts, and dog parks. The survey closes on November 30th; the next workshop will be held in January.

Arthur LeBaron stated the 700 West project is paved to the Ivywood subdivision. The retaining wall work along the hill is still underway. He mentioned the new grading process has received good feedback from developers. The Utah Transportation Commission held a meeting today and will meet again tomorrow. They toured today to look at the upcoming projects. Mr. LeBaron explained that the signalized intersections from I-15 to SR-7 are master planned to become separate grade interchanges. He noted that the projects are on a twelve-year timeline.

Tiffani Wright reported that early voting is underway at the Community Center, and Election Day is next Tuesday.

Ken Richins reported on the water quality of the new well. He provided the report and explained the data gathered. The well is performing better than the other wells.

Larry Palmer reported receiving twelve building permit applications in the past two weeks. The footing on the new gym will be poured tomorrow.

Scott Hughes advised the City Council that they should have received an invitation to the Utah Associated Municipal Power Systems conference.

Sel Lovell stated open enrollment is the last week of November.

Chief Excell has the final report for the October incident. He will provide the report to the City Council in December. He will also send out the crime stats for the year.

Mayor Billings stated the Legislative breakfast is on December 4th from 8:00-10:00 a.m. to discuss the needs of the City. There will be a Tango Night Fundraiser held on December 16th, the Vietnam Day fundraiser is on January 27th, and Matts Off Road Recovery is raffling off a jeep to donate funds to the Veterans Memorial Park in March.

Dayton Hall reminded the City Council that social events are not meetings under the State Code, and City business cannot be discussed during these events.

Cindy Beteag reported that the election day party is at the City office, the City Council will inspect ballots on November 29th, the County audit is on December 1st, the Council will officially canvass the election on December 5th, and the new Council Members will be sworn in on January 2nd.

6:00 p.m. - Call to Order –

Mayor Nanette Billings welcomed everyone and called the meeting to order.

Prayer, Thought, and Pledge: Diane Nay

Declaration of any conflicts of interest

Joseph Prete declared a conflict of interest on new business #3. He will refrain from voting. Dave Sanders declared a conflict of interest on new #4. He will vote on the item.

Minutes of the Regular City Council Meeting for November 2, 2023, and special meeting November 8, 2023

Kevin Thomas motioned to approve the Regular City Council Meeting minutes for November 2, 2023, and the special meeting for November 8, 2023. Seconded by Doug Heideman. Joseph Prete, Dave Sanders, David Hirschi, Kevin Thomas, and Doug Heideman – aye. Motion carried unanimously.

Public Forum – Comments From Public

OLD BUSINESS

1. Ordinance 2023-12: Consideration and possible approval of a **Land Use Code Amendment to adopt Title 10 Chapter 52 and amend Title 1 Chapter 4 with regards to affordable housing.** Hurricane City Planning.

Gary Cupp reported that an affordable housing ordinance was drafted to incentivize developers to build affordable housing. Fred Resch III explained that the ordinance includes a fifteen percent density bonus, a fifty percent discount on impact fees, and a setback reduction. Councilman Prete would like to be more conservative and lower the density bonus and discount. He feels there may be better ways to approach affordable housing. Councilman Sanders feels this should be a joint effort. Councilman Prete feels ending short-term rentals in high-density residential areas will help with affordable housing. He thinks the Council needs to explore other options before adopting this ordinance. He is hesitant about implementing incentives that the Council does not regulate. Councilman Thomas feels a smaller zone could be implemented to allow tiny homes.

Mr. Cupp stated the City must comply with the Moderate Income Housing Plan plan by January to prevent a fine and losing Utah Department of Transportation funding. Councilman Hirschi agrees with

Councilman Prete. He also likes Councilman Thomas's suggestion. Councilman Heideman feels that a lower-density bonus is not viable for developers.

Fred Resch III reviewed density bonus calculations. He explained that the City has to report the number of units created due to the Moderate Income Housing Plan. Dayton Hall asked Mr. Resch III to include the impact fee reduction in his viability calculations. Mr. Resch III reported that three affordable housing options must be implemented yearly. Mr. Resch III is meeting with the State to discuss progress requirements.

David Hirschi motioned to table Consideration and possible approval of a Land Use Code Amendment to adopt Title 10 Chapter 52 and amend Title 1 Chapter 4 with regards to affordable housing until a meeting has been held with the State. Seconded by Joseph Prete. Doug Heideman, David Hirschi, and Joseph Prete – aye. Kevin Thomas and Dave Sanders – nay. Motion carried.

Mr. Hall stated the ordinance could be rewritten to allow the City Council to review the density bonus applications.

2. LUCA 23-10: Discuss possible updates to the Land Use Code Amendment pertaining to Title 10 Chapter 51 Subsection 13 regarding whole house vacation rentals. Hurricane City, Applicant.

Mayor Billings explained that this is not an action item. This discussion item addresses short rentals and how they affect affordable housing. The resale value of short-term rental homes is the primary reason home prices have increased. Another problem is that ADUs are used as short-term rather than long-term rentals. Homeowners make more income on the short term rentals. However, this is creating a lack of available housing. She explained that the City Council needs to identify its vision for Hurricane City. Councilman Thomas does not favor the Attainable Housing Agency (AHA) program. He dislikes that the owner has no say in who lives in their unit. He thinks the changing market will fix the problem. Mayor Billings feels it is essential to have more than one solution. She explained that the City Council could increase the density or allow more apartments/condos. However, that does not promote ownership.

Dayton Hall discussed the three proposals. The first proposal eliminates new licenses. The second proposal allows transfer of the license if the new owner lives in the City or has a management company within the City. The third proposal changes the revocation process and allows the Planning Director to revoke the license. This change would remove the political aspect of license revocation. Councilman Hirschi asked if the annual license renewal fee could be increased for owners not living in the City. Mr. Hall will research that possibility. Mayor Billings proposed discontinuing business licenses for short-term rentals in accessory dwelling units (ADU). Mr. Hall advised the City Council that this agenda item pertains to whole-house vacation rentals. Councilman Heideman provided pictures of a nightly rental in his neighborhood.

Julie Krogh explained that rental owners purchase the homes as investments. The City should not be held accountable for the owner's investment. There is no way to monitor how many guests stay in the home, monitor events, or guarantee that the owner is on the premises. The County has admitted that whole house rentals are a significant issue they cannot control. She reported that homeowners ask why commercial rentals are allowed in residential areas. This written comment is attached to the end of these minutes.

Adam Krueger lives in Northern Utah. However, he owns property in Hurricane City. He explained that many farmers in Northern Utah were bought out by developers who promised affordable housing.

However, developers cannot guarantee the price of the homes. Tighter restrictions on short-term rentals will not solve the problem. He asked the City Council not to eliminate the waiting list that many owners have been on for several years.

Councilman Thomas would like to require the owner, not the property manager, to live in town upon license transfer. Mr. Hall needs to research those restrictions. Councilman Sanders wants to implement a six-month probation period for new applicants. Councilman Prete agrees with Councilman Thomas. He would also like to restrict the number of occupants. Mayor Billings's goal is to address affordability. She feels it is more important to focus on the citizens who can not afford to live in Hurricane City.

Mr. Hall noted that Staff has recommended simplifying the revocation process. He confirmed that the City Council favors simplifying the revocation process, removing the waiting list, and adding a probation clause. He will research owner residency requirements.

Mayor Billings asked if the City Council supports eliminating new short-term ADU rental licenses. The City Council would like more time to consider that proposal. However, they do support asking the Planning Commission to review that option.

NEW BUSINESS

1. Consideration and possible approval of **Resolution 2023-39 for the Recertification of the Hurricane Justice Court**

Kaden DeMille reported that the Hurricane Justice Court has to be recertified every four years. The packet includes everything necessary to meet the requirements. Councilman Prete asked if the judge's term is six years. Mr. DeMille explained the judge is re-elected every four years. Councilman Prete asked for a cost analysis of moving the court to the County. Mayor Billings explained that at this time, the Council needs to determine if they want to continue the Justice Court in Hurricane City.

Joseph Prete motioned to approve Resolution 2023-39 for the Recertification of the Hurricane Justice Court. Seconded by Doug Heideman. Kevin Thomas, Dave Sanders, David Hirschi, Joseph Prete, and Doug Heideman – aye. Motion carried unanimously. Councilman Prete directed Staff to prepare a cost analysis of moving the court to the County.

2. Consideration and possible approval of **local consent for a single event** at Sand Hollow Resort-Cassandra de St. Jeor

Mayor Billing read the summary included in the packet.

Dave Sanders motioned to approve local consent for a single event at Sand Hollow Resort. Seconded by Joseph Prete. Kevin Thomas, David Hirschi, Doug Heideman, Dave Sanders, and Joseph Prete – aye. Motion carried unanimously.

3. Consideration and possible approval of PP23-21 a **preliminary plat for Gateway at Sand Hollow Commercial, a six lot commercial subdivision** located between SR-9 and Sand Hollow Road. Western Mortgage & Realty Company, Applicant. Karl Rasmussen, Agent.

Mayor Billings reviewed the summary provided in the packet. She reported that the Planning Commission recommends approval. Karl Rasmussen reviewed the project. He explained that the developer would work with Staff to comply with the planned corridor.

Doug Heideman motioned to approve PP23-21 subject to Staff and JUC comments. Seconded by Dave Sanders. Kevin Thomas, David Hirschi, Doug Heideman, and Dave Sanders – aye. Joseph Prete abstained. Motion carried.

4. Consideration and possible approval of ZC23-27 a **Zone Change Amendment request located at approximately 1120 S 400 W** from RA-1, residential agriculture one unit per acre, to RA-0.5, residential agriculture one unit per half acre. Parcel H-3-2-3-2412-B & H-3-2-3-230911. Kysen Spendlove-Interstate Rock, Applicant.

Mayor Billings reviewed the summary provided in the packet. She noted that the Planning Commission and Staff recommended approval. Kysen Spendlove reviewed the lots included in the application. He reported that the second access would be addressed in the construction drawing process and explained that there would likely be twelve lots after roadway dedications.

Kevin Thomas motion to approve ZC23-27. Seconded by David Hirschi. Joseph Prete, Dave Sanders, Doug Heideman, Kevin Thomas, and David Hirschi – aye. Motion carried unanimously.

5. Closed Meeting held pursuant to Utah Code section 52-4-205 upon request

No closed meeting.

Adjournment: 8:09 p.m.