



PARK CITY HOUSING DATA HANDBOOK 1999



Washington Mill - 8 units, 1997

July 1999

Table of Contents

Section 1. Park City municipal employee generation model for annexations and master planned developments

Section 2. In Lieu fee Calculations methodology

Section 3. Rent calculations

Section 4. Average employee generation and income methodology

Section 5. Selected Housing Data from Rosenthal Study

July 1999

SECTION 1. Park City Municipal Employee Generation Model for Annexations and Master Planned Developments

Generation Numbers:

Retail: 2.3 employees per 1,000 square feet

Restaurant: 3.6 employees per 1,000 square feet

Hotel: 1.1 employees per 1,000 square feet

Office: 4.4 employees per 1,000 square feet

Estimated Annual Average Earnings:

Retail:

\$19,094

Restaurant:

Restaurant and Bar - \$25,639

Hotel/Lodging:

Housekeeping/Front Desk - \$19,656

Reservations/ Supervisor/Accounting - \$22,464

Maintenance - \$25,834

Office:

General Clerk - \$22,240

Administrative Assistant/MIS - \$30,326

Middle Management - \$45,900

This data was created by Rosenthal & Associates after a employee generation study was commissioned by Park City Municipal in 1997. The data is based on survey information, interviews with local businesses, Chamber Bureau data, and State Labor information.

The estimated annual earnings shall be adjusted administratively, annually, by adding the annual change in the average Summit County wage for all job types as defined in the Job Service publication, Annual Report of Labor Market Information.

SECTION 2. Calculating In Lieu of Fees

This option will be reserved for those cases in which building the affordable housing is impractical or it results in economic hardship to the developer or to the community. It should also be recognized that this is not an "all-or-nothing" policy, that is, the developer may elect to build some units and pay an in-lieu of fee for other units.

The fees presented are based on the current building and finance costs and, as such, they will change in response to changes in the market.

Fees for Affordable Rental Units

The fees for rentals are based on :

Household AMI of 60% = 30,816 (assumes a 2-person household)

Net rent (excluding utilities) of \$695 (assuming rent including utilities equals 30 percent of income)

2 BR 750 sq ft. unit

Normal operating expenses and debt

Gross Annual Income per unit: 8,340 (\$695 x 12 months)

Less Operating Expenses 2,300 (Source: Equimark, 1999)

Net Operating Income 6,040

Less Debt Payment 5,436 (1.1 Loan to Value)

Under these operating assumptions, the unit can support a mortgage of \$63,340. To construct a 750 sq. ft. unit, (using 1465 Park Ave costs of \$164 per square foot including land) would cost \$123,000. The gap, or in lieu of payment, would be \$59,660.

In Lieu of Fee for Ownership Units

The fee for ownership is based on:

Household AMI of 80% = \$46,224 (assumes a 3-person household)

Maximum PITI of 1,155 (assumes PITI + HOA does not exceed 30 percent of income)

3 BR, 1200 sq. foot townhouse/condominium

Terms: 5% downpayment; 7.5% interest; PMI = \$60 per month; HOA = \$100 per month

This translates into a maximum sales price of \$136,804

Under these assumptions, the household can support a purchase price that does not exceed \$136,804. Using the 1465 Park Avenue costs of \$164 per square foot, a 1200 sq. foot townhouse/condo would cost \$196,800. The gap, or in lieu of payment would be \$59,996.

Determining the Subsidy

Average of two numbers - $\$59,660 + \$59,996/2 = \$59,828$.

Source: Mountainlands Housing, 1999

SECTION 3. Rent/Purchase Price calculations

July 1999

57780

Annexations and Master Planned Developments

Rent is calculated as follows:(Annualized Wage - 17,680 (8.50 x 2080(hours) x .30 (30% of income) /12 (months in a year) x (HUD adjustment factor for Summit County)

Purchase price is calculated as a maximum mortgage that can be afforded. Monthly rent is calculated as outlined above then amortized at 30 year loan at 7.5 interest rate with 3% downpayment.

Assumptions for Table 1 in Housing Resolution 17-99 - Affordable Housing Unit Standards:

Median Wage - \$8.50 an hour

Rent to be no more than 30% of income

Type of Unit	Rent Calculation	Max. Monthly Rent
SRO	$(17680 \times 30\%) / 12 \times .57$	\$252
Studio	$(17680 \times 30\%) / 12 \times .91$	\$402
One Bedroom	$(17680 \times 30\%) / 12 \times 1.24$	\$548
Two Bedroom	$(17680 \times 30\%) / 12 \times 1.49$	\$658
Three Bedroom	$(17680 \times 30\%) / 12 \times 1.74$	\$769
Four Bedroom	$(17680 \times 30\%) / 12 \times 2.07$	\$915

Adjustment Factor for Household Size

Unit Type	Dept. of Housing and Urban Development	Adjusted for Summit County area, unit equivalent and unit size formulas
SRO	.5	.57
Studio	.6	.91
One Bedroom	.7	1.24
Two Bedroom	.8	1.49
Three Bedroom	.9	1.74
Four Bedroom	1	2.07

Rent/Purchase price assumptions for units below 45% of Summit County Median Income. Median Income Summit County for 1999 was \$64,200. Income adjustments for households are made by adjusting the same factors that the Department of Housing and Urban Development. Median Income data can be found at <http://www.huduser.org>.

July 1999

Rent Calculation is calculated as follows: $28,890(\% \text{ of SCMI}) \times .30(30\% \text{ of income}) / 12$
 (months in a year) x (HUD adjustment factor)

Unit Type	Dept. of Housing and Urban Development
SRO	.5
Studio	.6
One Bedroom	.7
Two Bedroom	.8
Three Bedroom	.9
Four Bedroom	1

Summit County Median in 1999 = \$64,200

45% of median = \$28,890

40% = \$25,680

35% = \$22,470

30% = \$19,260

<u>Unit Type</u>	<u>Unit Equivalent</u>	<u>Square Footage</u>	<u>Rent Calculation</u>	<u>Employee Equivalent</u>	<u>Max. rent monthly</u>
SRO	.25	NA	NA rent above average	NA	NA
Studio	.50	400	$28,890 \times .30 / 12 \times .6$	1	\$402
1 BR	.75	600	$28,890 \times .30 / 12 \times .7$	1	\$505
2 BR	1	800	$28,890 \times .30 / 12 \times .8$	2	\$577
3 BR	1.25	1200	$28,890 \times .30 / 12 \times .9$	3	\$650
4BR	1.50	1400	$28,890 \times .30 / 12 \times 1$	4	\$722

The maximum rent and purchase price guidelines will be adjusted administratively, annually, using HUD annual adjustment factors and may be adjusted for local conditions using the annual Park City Housing Affordability Update.

July 1999

**SECTION 4. Average employee generation and income methodology
for Table 1 - Resolution 17-99**

Total generation:

Retail: 2.3 employees per 1,000 square feet = 2.3 employees

Restaurant: 3.6 employees per 1,000 square feet = 7.2 employees

Hotel: 1.1 employees per 1,000 square feet = 1.1 employees

Office: 4.4 employees per 1,000 square feet = 4.4 employees

Staff took the average of the generation numbers for purposes of calculations.

Median wage and Average Income: Derived from Rosenthal study 1999: See Section 5

July 1999

SECTION 5. Selected Housing Data from Rosenthal Study

July 1999