



Resolution 17-99

RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH

WHEREAS, the City Council adopted Resolution No. 37-91 on December 5, 1991 which establishes policies to support and increase affordable housing in Park City; and

WHEREAS, in 1994 the City Council convened a Housing Advisory Task Force to review and make recommendations on the City's housing strategies due to the dramatic increase in land costs and a concomitant rise in the cost of all housing in the community; and

WHEREAS, The Housing Advisory Task Force and annual housing studies conducted by the City concluded that the rise of housing costs has outpaced the increase in wages in the service sector areas of the resort based economy and has resulted in making housing unaffordable to working residents of the City; and

WHEREAS, the Task Force and Council targeted the population to be served by these efforts as essential services workers such as police, teachers, firemen, service workers and long time community residents; and

WHEREAS, the out-migration of service and community based workers has resulted in a deterioration of community character and threatens the city's economic success; and

WHEREAS, it is in the best interest of the community to formulate guidelines and standards to establish consistent criteria for review of project applications, annexation petitions, resort or ski area expansions, and other development actions where affordable housing is needed to mitigate the impact of the project on the community; and

WHEREAS, the Council has considered standards in other resort communities, and those implemented by State and Federal Housing and Community Development Departments and has conducted local rental and residential market studies for Park City, and solicited input from the Affordable Housing Task Force; and

WHEREAS, the cost of providing affordable housing should not be disproportionately borne by any single sector of the community and any solutions should equitably apportion the costs based on impact generation, growth inducement and the underlying goal to

provide a cross section of units in our community in order to maintain a healthy economy and diverse population; and

WHEREAS , the City Council supports at this time the creation of for-sale properties versus rental properties because of the overwhelming demand for affordable residential homes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Park City, Utah as follows:

SECTION 1. ADOPTED HOUSING STANDARDS AND GUIDELINES. The following housing standards and guidelines are hereby adopted:

SECTION 2. DEFINITIONS/APPLICABILITY.

A. **Application:** These standards shall apply to all new housing obligations as noticed in Resolution No. 6-94. Prior agreements on density or configuration shall take precedence over these standards. However, all rental and for-sale guidelines and time limitations as described below shall apply.

B. **Purpose:** The purpose of this Resolution is to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain the social, economic and political fabric of its community character. The purpose is also to ensure that the affordable housing requirement is satisfied in direct proportion to the original sale of lots or square footage within the project.

C. **Review:** This ordinance shall be reviewed by the Housing Authority every two years to ensure that these standards are meeting the housing goals and objectives as determined by the City Council.

D. **Definition of Affordability:** Housing that is deed restricted in perpetuity to limit its end-user costs (rent or mortgage plus taxes and utility allowance) to 30 percent or less of the gross household income. (Household means one or more persons living together as a single housekeeping unit.)

E. **Housing Authority:** The Housing Authority is composed of the Park City Municipal City Council members and meets according to Utah State statute.

F. **Single Room Occupancy - SRO.** A single room with shared kitchen and/or living room facilities. Congregate type living for groups of unrelated individuals.

SECTION 3. CITY ASSISTED PROJECTS

Minimum Unit Size Standards for City Assisted Projects

SRO	200 square feet
Studio	400 square feet
1 bedroom	600 square feet
2 bedroom	800 square feet
3 bedroom	1,200 square feet

4 bedroom 1,400 square feet

Modifications to the minimum unit standards may be made by the Housing Authority based upon such factors as housing configuration (detached vs. attached), provisions of public benefits, such as shared common living areas, or additional project amenities such as communal facilities and/or open space areas.

Unit Types for City Assisted Projects

Specific product types shall be determined by the Park City Housing Authority with advice from Mountainlands Community Housing in accordance with site constraints, the market need as outlined in the annual Housing Affordability update published by the City, and the procedures and standards in this resolution. The following are provided as guidelines on appropriate housing types:

Types of Units to serve seasonal employees:

Rental:

- Dormitories
- Efficiency Apts.
- Single Room Occupancy (SRO)
- Studios
- Accessory Apartments
- 2/3 bedrooms

Types of Units to serve long - term employees:

For Sale:

- Duplex/Triplex
- Twinhomes
- Detached units
- Condominium units
- Mixed bedroom size
- Assisted/Independent living units

Maximum Rent Guidelines:

The housing units shall be provided for persons in Park City at or below 100% of the Summit County median income.

The maximum rent guidelines will be annually adjusted administratively by using Housing and Urban Development (HUD) Annual Adjustment Factors and the annual Park City Municipal Housing Affordability Update.

For Sale Guidelines:

The housing units shall be provided for persons in Park City at or below 100% of the Summit County median income.

City Assistance Standard.

The Housing Authority may provide financial assistance up to \$5,000 per unit regardless of unit size or configuration. Land lease or land acquisition is also negotiable.

Target Groups

Policies and programs should be developed for those who live and work in the Park City area. The Park City area is defined as the Park City School District limits which includes Snyderville Basin. While it is recognized that different solutions will be necessary for different groups and that some individuals may fit several groups, the following target groups should be given priority in any city assisted project.

- A. "Essential" public and private service workers: Park City School District, Park City Fire District, Park City Municipal Corporation, Snyderville Basin Sewer Improvement District.
- B. Full time (30 hours of employment per week) employees of businesses located in the City limits.
- C. A resident of the City for the prior 24 months.
- D. An owner or owner's representative of a business within City limits.
- E. Senior citizens
- F. Physically and/or mentally challenged individuals.

Limitation Period.

Limitations shall remain in effect for a minimum of 21 years. First right of refusal and/or option to purchase shall be granted to the Housing Authority. The Authority shall have 90 days to respond or assign the above-described rights. Longer terms of limitation may be negotiated on individual projects as directed by the Housing Authority. This limitation period may also be reduced based upon the provision of additional public benefits such as preservation of historic structures or other community benefits as negotiated by the Housing Authority.

Review

The Housing Authority shall review and approve the housing plan if it complies with these standards, addresses the need for affordable housing, and is consistent with the General Plan and Land Management Code. The Housing Authority may require a bond or other security approved by the City Attorney guaranteeing compliance with the Plan. The Housing Authority shall invite Mountainlands Community Housing to make a formal recommendation to the Housing Authority prior to adoption of the plan. Specific unit types, mix and targeted incomes shall be determined through this process.

a) Criteria for Review

1. Define the need for units at the time the project is proposed.
2. Define the population served.
3. Define how the plan integrates, not segregates, various product types and income levels.
4. How do Mountainlands Community Housing recommendations relate to the plan?

5. Is the developer's participation at least of equal value to the financial commitment made by the Housing Authority?

SECTION 4. ANNEXATIONS AND MASTER PLANNED DEVELOPEMENTS.

Applicability

This section shall apply to:

1. Annexations; and,
2. Master Planned Developments,(MPD), of 50 residential units or more and/or commercial mixed use projects of 5,000 square feet of space (gross).

Mitigation Required

Any development subject to this section shall mitigate for impacts to affordable housing by satisfying the requirements set forth below.

Housing Mitigation Plan

A Housing Mitigation Plan shall be submitted to the Housing Authority for review. The Housing Mitigation plan shall be evaluated based on the following:

1. compliance with the standards set forth below;
2. ability to address the need for affordable housing; and,
3. consistency with the General Plan and Land Management Code.

Implementation

The strategy for meeting the housing obligation must be specified in the annexation or MPD agreement. Phasing and satisfaction of this obligation shall be described in the annexation agreement for each project and/or further described under the Housing Mitigation Plan. Construction of the restricted units shall be concurrent with the development of market rate units unless other alternatives are specifically agreed upon by the City Council during the annexation process.

Standards:

The following standards shall be met when developing and implementing a Housing Mitigation Plan:

1. Mitigation Requirements

Fifteen percent (15%) of the total residential units constructed shall be provided for affordable housing. Housing shall also be provided for twenty percent (20%) of employees generated by the retail, restaurant, hotel, and office components of the project.

The Housing Authority reserves the right to increase or decrease the mitigation percentages (by amending this resolution) based on the Annual Housing Affordability Update conducted by City and other compelling market data as presented by the staff and community.

2. Unit equivalents, type and size and Maximum rent and for sale restrictions of affordable units

The following table outlines the unit type and maximum rent and sale price for the residential and commercial component of a project. Projects may construct any combination of affordable unit types contained in Table 1 provided that the total required affordable housing unit equivalent is met. The housing unit types, and sizes shall be delineated through the Planning Commission process with advice from Mountainlands Community Housing.

Option A. Average generation and Median Wage Income for project.

The following average project generations are made by the City and may be selected by the developer for satisfaction of the rental/for sale maximums.

**Table 1. 1999 Affordable Housing Unit Standards
Average generation and Median wage/income for Projects**

<u>Unit Type</u>	<u>Unit Equivalent</u>	<u>Square Footage</u> Note 4	<u>Rent Calculation</u> Note 1 & Note 2	<u>Employee Equivalent</u>	<u>Max. rent monthly</u> Note 3	<u>Purchase Price</u> Note 3
SRO	.25	200	17680 x .30/12 x .57	1	\$252	\$38,329
Studio	.50	400	17680 x.30/12 x.91	1	\$402	\$59,781
1 BR	.75	600	17680 x.30/12 x 1.24	1	\$548	\$80,662
2 BR	1	800	17680 x.30/12 x1.49	2	\$658	\$96,394
3 BR	1.25	1200	17680 x.30/12 x 1.74	3	\$769	\$112,269
4BR	1.50	1400	17680 x .30/12 x 2.07	4	\$915	\$133,150

Note 1. Employment Factor = 2.9 employees per thousand sf of commercial space is an average of data produced by Rosenthal & Associates after an employee generation study was commissioned by Park City Municipal in 1997. Median Wage \$8.50 - annualized wage is \$17,680 (8.50 x 2080(hours)). The data are based on survey information, interviews with local businesses, Chamber/Bureau data, and State Labor information. Supporting data and assumptions are included in the Park City Housing Data Handbook 1999.

Note 2. Rent calculations assumptions are explained in the Park City Housing Data Handbook 1999. Income adjustments for households are made by adjusting the same factors that the Department of Housing and Urban Development uses for local market conditions.

Note 3. Rent/mortgage will be no more than 30% of the resident's income as defined in Section 2 (D). Purchase price is maximum mortgage for unit type. The maximum rent and purchase price guidelines will be adjusted administratively, annually, using Housing and Urban Development (HUD) Annual Adjustment Factors and the annual Park City Municipal Housing Affordability Update.

Note 4. In order to meet the unit obligation common area and common facility configuration must accommodate unrelated individuals and be according to City health and safety standards.

Example:

A mixed use project with 184 residential unit equivalents (UE's) and 90,000 square feet of commercial space.

The Residential Requirement:

184 UE's X 10%=18.4 units which could be satisfied with a variety of unit configurations (see examples below).

<u>SRO</u>	<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>	<u>Total UE's</u>
	1		18			18.5
10	6	4	3	3	2	18.5
		1	1	10	3	18.75

The Commercial Requirement:

90,000 sf X 20% X 2.9 = 52.2 =53 employees which could be satisfied with a variety of unit configurations (see examples below).

<u>SRO</u>	<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>3 Bedroom</u>	<u>4 Bedroom</u>	<u>Total E.E.'s</u>
	1		26			53
10	6	4	8	3	2	53
		5	1	10	4	53

Option B - Median Wage for Project

This alternative would calculate the actual median wage for the project and direct 100% of the required mitigation to this target group. An employee generation study would be calculated and then the median wage would be determined based on the number of employees generated. The data provided in the Park City Housing Data Handbook 1999 allows the developer and staff to calculate the employee generation numbers and the estimated annual average earnings for workers.

The housing unit type, and sizes shall be delineated through the Planning Commission process with direction from Mountainlands Community Housing. Projects may construct any combination of affordable unit types contained in Table 1 provided that the total required affordable housing unit equivalent is met.

Example: See Table 1 and adjust as noted below

Employment factor - calculate employee generation for specific project (see Park City Housing Data Handbook 1999 for numbers)	Median Wage - calculate from handbook once employees types and numbers are known
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Decrease in Required units

If the developer elects to provide units below 45% of the Summit County Median Income (SCMI), and the rental or purchase price is below the average wage assumption alternative or independent

calculation, then the Housing Authority may reduce the total obligation of units required by the developer based on the following table:

<i>Median Income Summit County 1999</i>	<i>Rent calculation (2 bed standard)*</i>	<i>Maximum Mortgage (2 bed standard)*</i>	<i>Unit reduction per unit equivalent or employee equivalent</i>
\$64,200			
45% \$28,890	\$577	\$84,929	.25
40% \$25,680	\$513	\$75,513	.50
35% \$22,470	\$449	\$66,092	.75
30% \$19,260	\$385	\$56,671	1
Median Income data can be found at http://www.huduser.org	* Income adjustments for households are made by adjusting the same factors that the Department of Housing and Urban Development.	*Calculation methodologies are detailed in the Park City Housing Data Handbook 1999	

Suggested Unit Types

The following are provided as guidelines on appropriate housing types:

Types of Units for seasonal employees:

Rental:

- Dormitories
- Efficiency Apts.
- Single Room Occupancy (SRO)
- Studios
- Accessory Apartments
- 2/3 bedrooms

Types of Units for long-term employees:

For Sale:

- Duplex/Triplex
- Twinhomes
- Detached units
- Condominium units
- Mixed bedroom size

3. Location/Development alternatives.

Affordable Housing units shall be constructed on the project site, unless the developer can demonstrate to the Housing Authority compelling evidence (density or design) that the project should not accommodate on-site units. Subject to Housing Authority approval, the following location alternatives, in order of preference, are available:

1. Construction of affordable units within the Park City limits;
2. Construction of affordable units within the School District boundaries;
3. Land donation;
4. Acquisition of off-site units within Park City limits subject to Housing Authority approval; and,
5. Payment of in lieu fees. The fee is structured on the subsidy gap that is required to construct rental and for-sale units, not on the actual cost of construction. For 1999 the figure is \$59,828 per unit.

These figures are based on 1999 costs and will need to be administratively adjusted to reflect market costs at the time of project approval. The in-lieu fee figure can be reduced by the Housing Authority if the payment occurs in the first two years of the development process and results in a partnership that leverages the immediate production or purchase of units. Methodology for the in lieu fee calculation can be found in the Park City Housing Data Handbook 1999.

4. Design/Site criteria

Projects shall be integrated in design and in income. Large scale projects that provide the same unit type at the same price or rent and that are isolated from community services and public transportation are discouraged. Smaller projects located near community services that provide for mixed income levels are mixed unit types are preferred.

5. Limitation Period.

Rental rates and resale price limitations shall remain in place for a minimum of 40 years, with perpetuity being the preferred alternative. First right of refusal and/or option to purchase shall be granted to the Housing Authority. The Authority shall have 90 days to respond or assign the above-described rights. Longer terms of limitation may be negotiated on individual projects as directed by the Housing Authority. This limitation period may also be reduced based upon the provision of additional public benefits such as preservation of historic structures or other community benefits as negotiated by the Housing Authority.

SECTION 5. INDEPENDENT CALCULATION

An applicant may submit an application for independent calculation requesting modification to the following:

- a) Unit Standards;
- b) Limitation Standards;
- c) Unit Equivalents; and,
- d) In Lieu Guidelines cost calculations.

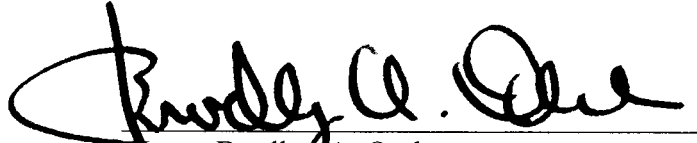
The application for independent calculation shall be reviewed by the Housing Authority. If the material in the application demonstrates by substantial competent evidence that there is reasonable basis to modify the standards listed above because of unique circumstances related to the proposed

development, the Housing Authority shall approve the independent calculation and make the relevant modification.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon adoption by the City Council.

PASSED AND ADOPTED this 17th day of June, 1999.

PARK CITY MUNICIPAL CORPORATION



Mayor Bradley A. Orch.

Attest:



Janet M. Scott, City Recorder

Approved as to form:



Jodi Hoffman, City Attorney

