



**Blue Ribbon Housing Commission
February 29, 2016
Executive Conference Room, City Hall**

Present: Commission members: Mike Stewart, Meg Ryan, Nicole Butolph, Glenn Wright, Tom Horton and Ron Hunt. Staff: Rhoda Stauffer, Nate Rockwood, Anne Laurent, Phyllis Robinson and Elizabeth Quinn Fregulia (Heinrich Deters joined the group at the end of the meeting).
General Public: Shellie Barrus

The meeting was called to order at 4:33 pm by Rhoda Stauffer. Ms. Stauffer confirmed that she is asked to attend the Study Session on March 31, 2016 when EPS presents their findings and recommendations to City Council. It is recommended that the Commission write a response to EPS's report. Ms. Ryan stated that she will share a decision matrix at next week's meeting (March 7). Mr. Stewart suggested creating an outline of the presentation, and Ms. Stauffer agreed to draft an outline for the next meeting.

I. Presentation by Nate Rockwood, Capital, Debt & Grants Budget Manager

- a. Two funding sources are being utilized to fund affordable housing totaling just under \$40-million:
 - i. Lower Park Avenue Redevelopment area: established 25 years ago; recently extended for another 15 years (including PCMR base). Has been collecting incremental income for years. Over life of RDA, funds will total to over \$35M—starting last year and going for next 15 years.
 - ii. The balance of \$5 is from Resort sales taxes -- A year ago City Council instituted a half-cent resort sales tax and up to five million will be utilized for housing project areas that aren't eligible for funding under RDA guidelines.

Mr. Rockwood providing an overview of what RDA funds can be used for as well as how funds are utilized through a spending (out)/sales revenue (in) schedule over time to complete a total of \$35M in projects by 2020.

As projects are sold, the larger the subsidy (serving lower-income households) the less return into the RDA. To date, projections have had an average return of 80% of total cost. Rental property reduces return dramatically, but would have an on-going revenue stream.

In response to a question, Mr. Rockwood explained that the physical boundaries for expenditures are dictated under the Utah RDA Act as follows: everything except affordable housing must be spent within the boundaries of the specific RDA. Affordable housing located anywhere within City limits is a qualified expenditure. Attainable housing as defined by 100% to 150% of AMI would not qualify for RDA funding.

Within the life of the extended RDA, there is likely to be significant new development in the PCMR parking lots. Early development – both commercial and residential – and higher priced development will both be of greater benefit to the RDA. Affordable housing sales in the RDA will be of greater benefit than rental properties if the City retains ownership simply because the City is tax-exempt.

Both RDA and the resort City sales tax revenue can only be used for capital projects. They are not as flexible as the general fund. Establishing a loan pool for a mortgage assistance or shared equity program is very tricky with the capital funds accounting rules. Purchase of land and retaining ownership such as in a land trust is one possible way to work within the capital funds rules. Shared equity can also work, if the City purchases the asset and then sells it for a percentage of the original cost and retains a deed on the property in the value of the subsidy. Issuance of a special bond for affordable housing would also require that the City own the assets – land and units.

Support of local housing nonprofits requires the use of resources out of the general fund. The RDA can't be used unless the nonprofit offices and/or programs are within the RDA boundaries. Mr. Rockwood explained that for this reason, the City provides special service contracts to a number of local nonprofits for specific services not provided by the City. Mountainlands Community Housing Trust manages a local clearinghouse of information and resources for local workers seeking affordable rentals. This is done with the support of and in contract with the City through the Special Services program. Ms. Stauffer also clarified that a local nonprofit could bid - just like any private entity – for the right to develop housing if the City issued a Notice of Funds Availability (NOFA) for affordable housing development. In that case, RDA funds could be utilized for the development of the project.

Mr. Stewart asked if there was another source of funding that had not been discussed and Mr. Rockwood said no. The current strategy that the City has put together for housing is so aggressive that it pushes the boundaries of what can be and what has been done in Utah.

The group thanked Mr. Rockwood for his time.

II. Presentation by Heinrich Deters, Trails & Open Space Manager

Mr. Deters brought up the map that Mr. Wright had annotated. He explained the legend:

- Yellow means city-owned
- light green means city-owned that are under conservation easements
- green means those properties that are under conservation easements but are not city-owned

He then went through the various parcels for which there were questions or suggestions to target for development of affordable housing:

- A. **The Boyer Parcel** adjacent to the Quinns Junction film studio: this property is restricted by an annexation agreement. Use is restricted to open space, essential municipal buildings, and/or recreation use. The open space requirement is associated with the approved density at Park City Heights. Mr. Wright asked about reopening the

annexation. Mr. Deters, Ms. Robinson and Ms. Ryan responded that opening annexations is very difficult and extremely time-consuming.

- B. **Lot C** on the slope behind the Snow Creek shopping center: designated as open space however no easements or deed restrictions are placed on this parcel. It is determined by the city's building and planning departments as unbuildable.
- C. **Sandstone Cove** is a triangle of property along Meadows drive where it meets SH224 (base of hill): Property is designated as open space and considered non-buildable.
- D. **Reisner Ridge** is along Meadows Drive at the South boarder of the Park Meadows neighborhood: COSAC and Summit Land Conservancy put a conservation easement on that property in the past month.
- E. **PC Hill parcel** also known as the "North 40": Development of affordable housing on a portion of the property (not on the slope) could be an allowed use.

Mr. Deters maintains an Excel spreadsheet with all city property with allowed uses and restrictions. He remarked that Park City residents, staff, and Councils all had quite a bit of foresight, even back in 1980s and '90s, in terms of designating conservation easements. Affordable housing is being considered at a number of city-owned parcels such as a small portion of Clark Ranch adjacent to the Park City Heights development and the Sommer Parcel along the Rail Trail in Prospector. Ms. Stauffer said staff is scrubbing a lot of parcels. Ms. Ryan encouraged staff to also vet the Mawhinny parking lot on Park Avenue. Ms. Laurent said the Planning Department has also been looking at opportunities for good redevelopment plots, regardless of ownership along with access to transit and amenities and other sound planning criteria.

The commission thanked Mr. Deters for his presentation.

III. Next Steps

Ms. Stauffer moved the discussion to next steps. She will put together an outline for the next meeting and requested that any Commissioner who wants to contribute to that outline, please send her an email.

Ms. Ryan returned to the discussion of use of City funds and the fact that RDA funds can't be used outside the city limits. Mr. Stewart asked if Council would ever consider identifying 500 acres in Park Meadows, scrape it, and put 100 units on (density-driven solution). Redevelopment is really the majority of what can be done with City resources since the balance of vacant land within City limits is either deed restricted or has conservation easements to remain as open space. The Commission suggests working with Vail on the redevelopment of their parking lots. Deer Valley does not have an outstanding housing obligation and any housing obligation resulting from development on their parking lots has already been fulfilled. Bonanza Park will also have a huge affordable housing requirement. Mr. Stewart suggested buying up old condo properties and razing them and again recommended creating a housing committee similar to COSAC to move the initiatives forward.

I. Meeting Adjourned 5:57 pm