

**PARK CITY MEDICAL CENTER
MEDICAL CAMPUS**

**HOUSING MITIGATION PLAN
PARK CITY HOUSING AUTHORITY
REVISED 1st AMENDMENT**

JANUARY 18, 2017

Background

The annexation agreement between Park City and Intermountain Healthcare included the elements of affordable housing that needed to be provided as part of the development of the annexation area. The base employee affordable housing associated with the hospital at full build out was 44.78 units. This part of the affordable housing obligation was to be satisfied by the donation of Lot 4 of the subdivision to Park City, and the construction of the units. These units were eventually relocated from Lot 4 and included in the Park City Heights project.

There were 10.47 affordable housing units associated with the USSA facility. These units were deferred.

There were 34.98 affordable housing units associated with the Medical Support density on the campus.

The affordable housing obligation of 5.83 units for Lot 7 was assumed by Physician Holdings when they purchased that lot from Intermountain. The affordable housing obligation of 5.83 units for Lot 10 was assumed by Summit County when Lot 10 and its density were ground leased to Summit County for the Public Health/People's Health Building.

In June 2016 the Housing Authority approved Intermountain Healthcare's housing mitigation plan which included approval of 12.5 units associated with Peace House, in recognition of the value of the ground lease that Intermountain signed with Peace House to provide the site for a new Peace House facility.

Intermountain has an obligation of 10.82 units of affordable housing remaining.

1st Amendment to the Housing Mitigation Plan

During the design of the Peace House, their team has increased the size of the project, and included additional elements that could qualify as affordable housing. A 1st amendment to the Housing Mitigation Plan was submitted by Intermountain in October 2106 to satisfy part of this remaining obligation by providing funding to Peace House to build additional space.

The submitted amendment proposed that additional space in Peace House could qualify as 7.07 units of affordable housing. Intermountain Healthcare proposed to provide \$1,007,206.34 (7.07 units at \$142,462 per unit) of funding to Peace House. This funding is contingent on the Park City Housing Authority's approval of this proposal.

When the Park City Housing Authority consider the 1st amendment in December 2016 there were concerns that Intermountain was not providing actual units for Intermountain employees, and therefore the amendment should not be approved. After the public hearing and Housing Authority deliberations, Intermountain was asked to continue the amendment and work with Peace House and city staff to develop a proposal with fewer AHUs, and a higher payment to Peace House per unit to reflect current construction costs. Intermountain agreed to continue the consideration of the 1st amended housing mitigation plan.

Subsequent discussions between Intermountain, Peace House and city staff have led to this revised proposal. Intermountain requests that 2 AHUs be credited, based on 2 new employee housing units (1,600 square feet) being added to the Peace House project, and an additional 2 AHUs be credited for 1,600 additional square feet of transitional housing being in the current plan. Intermountain agrees to fund these additions at \$255 per square foot, or \$204,000 per AHU. In exchange for the city approving this request for 4 AHUs Intermountain will provide funding to Peace House of \$816,000.

Intermountain believes this revised proposal is a good one since it addresses the Housing Authority's concerns about the number of additional AHUs provided to Peace House, and addresses Peace House's concerns about getting adequate funding to pay for the additional affordable housing units. This revised 1st amendment also respects the Intermountain Board's position that Intermountain is a not-for-profit healthcare company, not a home builder.

Future Affordable Housing

If this revised proposal is approved then Intermountain will have a remaining affordable housing obligation of 6.82 affordable housing units, which is tied to the full build out phase of the campus after 2025. Intermountain would look to partner with the city or other private developers to provide these units closer to the time Intermountain plans to request a CUP for the full build out space.