



**Blue Ribbon Housing Commission  
Meeting Minutes  
March 7, 2016  
Council Chambers**

- I. Meeting Called to Order by Ms. Stauffer at 4:39 pm**
- II. Presentation by Bruce Erickson, Planning Director**

Mr. Erickson introduced himself and explained his background. He said that the city recognizes the importance of housing: we devote an entire section of the general plan to it. Since he has come on board, Mr. Erickson has expedited the process, as we are in a deficit. Moving forward, his department will be paying a lot of attention to it.

In terms of balancing housing with other concerns, Mr. Erickson said he does not get the sense residents are willing to give up other values, such as low density. Additional height is a hot button throughout the town. As the city moves forward with housing, he will be making sure we are staying as consistent with general ordinances as possible. Mr. Wright asked about feedback regarding heights, and Mr. Erickson responded that there has been consistent feedback over the last 15-to-20 years. The BoPa process, especially, was a key indicator that the community not willing to compromise on this. Mr. Wright asked if there was enough leadership from elected officials on this score: higher density allows you to improve transportation and housing. Mr. Erickson responded that, over the last 75-to-100 years, there have been few examples of success. Those that are successful are those in which community has not compromised their values.

Mr. Stewart asked how close this gets to NIMBYism, and Mr. Erickson said it's very close, and the next step is gentrification, which we are also very close to. He has never made a planning decision that made his personal lifestyle better—always worse. Ms. Stauffer supported this assertion: there are lots of people who believe in density, but when the rubber hits the road they say we need to get the density in other ways. Elected officials will listen to their constituents.

Mr. Stewart asked if we have reached an inflection point: have we reached a point where we need to make these decisions? Could they come back on the table? We've literally made it impossible for people who have moderate incomes to live here. Mr. Erickson said it reaches as far as environmental hypocrisy—the biggest environmentalists are those who drive the furthest to these meetings to make their voices heard.

Mr. Erickson explained that everyone who lives here made the choice to live here. They make a series of conscious decisions: a they want a good place to live, park their car, ski, attend the performing arts center, etc. *"I don't think providing housing for others was ever part of that conscious decision,"* he said. He added a corollary: *"We have not done a good enough job of selling to the public who these people are."* The type of housing is a factor—whether they be SROs or mid-range houses or cottage-type houses. But the city has no stock for the firefighter with two kids who wants a yard. There is nothing for professionals—mid-range teachers, city employees. Some of greatest growth-inducers are those that don't have housing regulations: i.e., school district: they aren't bonding for housing, neither is the hospital. Third: recreation: this is one of our top growth-

inducing aspects—world-class training facilities, plowable lacrosse fields. This means we need housing for these employees.

Mr. Hunt asked, *“Has the question been framed wrongly? We should want to promote Integrity and diversity.”* Mr. Erickson responded that *“diversity is not a skillset.”* He said he grew up on tourism— in Minnesota, Jackson Hole. Everyone is interrelated in a tourism economy, but we now have a culture that has nothing to do with tourism—we don’t have this interdependency. Also, we are more libertarian with our zoning, we are close to Salt Lake City, and we are very inclusive. He said that we have a regular debate: who are we providing housing for? School teachers who live in Bountiful—do we provide housing for them? We have a very attractive school district, which means people want to live here. The Planning Department’s mission is to balance abstract ideas of housing with community and open space. We filter these ideas through community lenses and staff implementation. Mr. Erickson said his mission in Planning is to live up to the promises of the folks who have moved here and also those who want to move here. A large part of our constituency is tourists.

Ms. Laurent added that housing and affordable housing are very complicated because very few projects are simply about just that: they also involve public/private partnerships, competing land-use interests, aesthetic concerns, and NIMBY concerns. So we can’t frame them just as housing projects. They will be more successful if they are doing more than one thing. This is a better use of tax dollars. Example: if we can’t get height, it makes it harder to pencil.

Mr. Stewart asked what the private developers tell them are prohibitive. Ms. Laurent responded height and cost of land. These projects are almost never just housing projects. Meeting parking requirements also very expensive. Underground parking often creates soil issues.

### **Park City Heights Discussion**

Mr. Stewart asked about the parameters of the Park City Heights project. Ms. Stauffer explained that they were required to build 79 affordable units. They were allowed a reduction (zoning is unit per acre, but exception on part of it). The 79 units were not a requirement of the current developer; that company bought the deal knowing of this contingency. The 79-unit requirement came from some other obligations from Boyer, as well as the hospital. Most of this was established in the annexation. The 79 units are about 30 percent of the total project. The income restrictions are 80% of AMI. The max housing price is \$400,000. Architectural criteria design guidelines are the same as for the whole project. Utah’s codes are not very strict: the state operates under the 2012 residential building codes and 2006 energy codes. Affordable units have to meet a certain LEED standard.

For homebuilders, the highest barriers to entry are available land. There is also a market risk in affordable housing that you do not see for residential homes or second homes. These risks include rates of return, mortgage risk (trying to build at the bottom of the curve). If it could, the Planning Department would have the city acquire 10 acres, use municipal financing to take risk out of the model, improve affordability through risk backing. Mr. Erickson explained that they don’t see this risk as much in density as they do in the financial element. Mr. Stewart said the commission had come to the conclusion that the private sector probably won’t be providing the housing; it would be some sort of public/private partnership. Mr. Erickson also added that the private sector does need to provide housing that they have not yet done: Park City Mountain has an employee commitment, and Canyons (not in our jurisdiction) has not met their (huge) employee housing requirement. There are bands of the market, from essential to lifestyle workers. If you are Vail and you realize you can’t build \$200M worth of pent-up housing until you meet the lowest tier first, you would either move as quickly as you could to satisfy it, or you would push it off as long as you could.

Ms. Ryan commented that maybe we are making this too hard. She went through the history:

- **Policy:**
  - In 1995, the policy was targeted to police, etc. It has evolved to an undefined target, which is part of the problem. We don't know who the target demographic is/are. Workforce as preference, but not clear. Policy message has become obscured.
- **Goal:**
  - \$40M/200 units: need to define target.
  - Implementers:
    - Regulatory: MPDs?
    - City-owned property?
    - Regional authority?
- **Zoning:**
  - We might not be able to push the boundaries but can do some acquisition on sites. If we target how to obtain the right plots, focus there.

Mr. Erickson provided a response. He said he and Ms. Laurent are trying to figure out at what point they might want to bring forward a housing master plan. Mr. Stewart added that the group is trying to figure out an actionable plan: how many units do you want to produce at the various bands of affordability? Once we have these tasks, we can evaluate the parcels and determine through which various silos/buckets they can be executed. They also need to figure out which financing elements to trigger when.

Ms. Laurent said the number is one thing, but we need information on the product that meets the demand. How do we determine the correct mix—through a market study? If the city could quantify this, then we could look at how to meet the product demand. In an ideal world, it would be great to have 10 acres, but this land isn't really available and how do we even know which products to produce? The private sector will also need to play a part. Ms. Ryan said this depends on your target—we are catering to seasonal employees (development sector), nonprofit housing perhaps targets attainable—homeownership. Ms. Stauffer said, though, that we can't do single-family homes for everyone out there.

Mr. Hunt said we may be a brass tacks commission, but we don't have enough tacks. Why can't the city push back on the voters a little bit and bring them down the path? Inject leadership—explain reality and the tradeoffs (especially vis-à-vis density). Ms. Stauffer suggested we look at the buckets they want to address with Council. Mr. Stewart said we need to evaluate data that shows where our community is underserved. We've reached the conclusion that we are deficient with the for-sale middle income homes. This is what the 2012 housing assessment concluded, but what we don't have is who actually lives here and what their incomes are. We are due to do this data gathering. Two-hundred units is a low bar, but it's realistic in five years. At this point, our committee should get as specific as possible then say to policy makers to make specific decisions.

Mr. Erickson said his primary mission is to restore the trust of the public in the city staff. He has a blunt recommendation from the Planning Department: strip every bit of long-range planning out of the process when building the 200 units. Snow Creek was a nice project. The city then went into a big lull when they "tried to save the universe," and came out with one martian. 1450/1460 and small projects like this are immediately beneficial because they are not disruptive while adding to the neighborhood. All of these small wins move the number forward.

Ms. Laurent added that, in addition to smaller infill, we can also take the attack of purchase and rehab. This has nothing to do with zoning; it's more of a real estate strategy. No one approach will meet the goal; we need to

meet the need in a lot of different ways. As we look at individual projects, we can see which goals are and aren't being met. Mr. Stewart asked if the Planning Department would support the creation of a housing commission. Mr. Erickson said yes, this was probably needed. There is not a great deal of difference between the missions of historic preservation and housing. *"In our world, we think we are roughly approaching the limits of growth—both in terms of housing and transportation. This is a hard threshold,"* he said. This is why normal-scale infill projects are easier to do. Mr. Sletten asked if this means we should look outside city boundaries in collaboration, and Mr. Erickson said yes; he said he doesn't understand the implications if the municipality had bought Black Rock. We are a little bit at fault for not taking care of our own staff and workers.

Ms. Ryan said we are on the same page. It will be a higher subsidy to provide solutions in town. So we should look at infill or a partnership with the county. Ms. Laurent said, though, that if everyone wants single-family, it would be good for us to tell Council, etc. that these residents will leave. But we can't quite say this yet. We have heard this anecdotally. Mr. Stewart said there are probably 400 units of future affordable between Silver Creek and the Canyons. And most of these units will probably be sold to those who work in Salt Lake. So it would be nice if the county and city could organize to put appropriate deed restrictions on the units.

The group thanked Mr. Erickson for his time. He reiterated that his mission is to restore confidence in the municipality and to implement the general code. He constantly is thinking about what his successor would say about the decisions he is making. They are being proactive with Ms. Stauffer—much of the pushback on 1450/1460 was that we were bending rules for ourselves that we were not bending for the private sector. He gave one last recommendation: blur the lines between city and county—a joint housing committee is a good start.

### **III. Report Development**

Ms. Stauffer introduced Mr. Sanchez, who would be facilitating the next portion of the meeting. Ms. Stauffer explained that there are two tasks simultaneously being enacted:

- EPS Report on regulatory housing piece (almost complete)
- Broader report by Blue Ribbon Housing Commission

She suggested that we frame what is important for Council to keep in mind, but she does not want to hold back the resolution if it's too broad. There is so much to discuss, so Ms. Stauffer said she would they have a separate conversation with Council. Ms. Ryan suggested putting together the summary statement for the committee's recommendations. The report that would go with EPS would have a summary outline of the secondary report. This chart would help frame the future conversation. EPS can only present on March 31 due to their schedule.

The commission's recommendations focus on the big picture, while EPS is more detailed. We need to make sure our recommendations are not at cross-purposes with EPS's. For example, EPS suggested finding alternative financing, but this was more of a guideline than a policy. Ms. Laurent explained that this it should be considered an "enabling recommendation." She said we revisited the resolution because it has not been terribly effective while it's been in place. This was the initial question.

In terms of the amendment process, we can come back to Council with a new resolution. The timing is based on EPS's availability. This commission has expanded its mission by quite a bit—from looking just at the resolution to looking at holistic solutions.

It was Ms. Stauffer’s intent to bring a redlined resolution to City Council. After an initial study session, they would have a good idea whether Council would approve it. Then the commission could come back at the same meeting and report on their broader report.

Mr. Sanchez summarized the conversation as he had heard it: EPS should present their findings, but the commission can keep going ad infinitum. Mr. Stewart said that maybe it’s not as complicated as we are making it, so we should put forth our initial recommendations, at least, and then see if Council is interested in forming the standing commission. Ms. Stauffer said that this group does need to end, according to its charter. There is probably no reason to hold up the regulatory piece, but we can explain to Council that we are working on a bigger set of solutions.

### **Summary of Recommendations:**

#### **Two matrices:**

- **Sectors**
- **Methods**

#### **1. Establish a Regional Housing Authority**

- a. Issue RFP for housing master plan with the county as a first step.
- b. Create a liaison commission at the city level

#### **2. Housing Master Plan**

- a. City
- b. County
- c. Region (Wasatch Back)

#### **3. Funding & Financing (see also Mr. Stewart’s recommendations)**

- a. Cost of Development: Determine how much rental-versus-how much housing the city can produce (this also ties into targets)
- b. Use city land: recycle construction costs
  - i. Dedicated stream
- c. Shared equity
- d. Property tax
- e. Service contracts with nonprofits: revisit after 5 years
- f. City bonds
  - i. RDA
  - ii. Sales tax fund

#### **4. “Silos”**

- a. Entities: define constituency/demographic each one can best serve
  - i. See Ms. Stauffer’s matrix as a menu of options: put our recommendations in this way?
  - ii. Public Sector
  - iii. Private Sector: this will be a small part of the solution—service like buyers where there’s an affordable housing requirement
  - iv. Joint Ventures with private entities, counties, etc.
  - v. Nonprofits
- b. Demographic Targets
  - i. Seasonal
  - ii. Workforce
  - iii. Essential Workers: teachers, police, etc.
  - iv. Professional

#### **Park City Municipal Corporation**

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## 5. Timing

- a. See targets: Advise council that these are things we want them to solve; we don't necessarily have all the answers

## 6. Methods

- a. Enforce Housing Requirements tied to Entitlements
- b. Utilize city-owned properties
  - i. High-density on these? (e.g., fire station)
- c. Purchase/Rehab
- d. Infill
- e. Regulatory

Ms. Butolph expressed that she feels the commission might be over-stepping the mark of our charter. We really need to figure out who we are trying to solve the problem for. We are here to change the resolution, and then once we figure out the resolution, we can take next steps. As a group, we were very clear in what we agreed with EPS on, and what needed further fleshing out and explanation. Ms. Laurent asked if it would be more helpful to have more market information. Ms. Butolph said she thinks we are getting into a much longer conversation because the people who have been put in charge of this have not done much. The city should consider creating a group to enact the resolution. Right now, we do not need any more information or ideas.

Mr. Hunt offered that this may be a "runaway commission," but that's not necessarily a bad thing. Ms. Laurent asked if the group supports moving forward with changing the resolution. Also, how can the group come to agreement with what to pass on to Council? Mr. Wright said the group supports the resolution and what EPS did, and Mr. Hunt said he agrees but would hate to see them act on it until they've heard from us. Ms. Ryan said they strongly need to refine the policy, in terms of whom they are targeting (this needs to be added to EPS's report). She said we are simply trying to float them up recommendations to council and we will be done. The recommendations are pretty straightforward: it's just good to have them all in one centralized report.

## IV. Next Steps

The group unanimously approved EPS's report with our recommendations. Mr. Sanchez said he heard that they were in favor of a next step of submitting a report of recommendations. Mr. Stewart said he worries that if they created a commission, that commission would just retread the ground we have covered, so he would like to submit the report to help lay the foundation.

It was agreed that Ms. Ryan will create one more draft by Thursday for review.

### I. Meeting Adjourned 6:20 pm

*These meeting minutes were recorded and prepared by Elizabeth Quinn Fregulia, Community Affairs Associate for Park City Municipal Corporation. The meeting for which these minutes were recorded were noticed at least 24 hours advance by posting to [www.parkcity.org](http://www.parkcity.org) and the Utah Public Notice website.*