

PARK CITY MUNICIPAL CORPORATION
PLANNING COMMISSION MEETING MINUTES
COUNCIL CHAMBERS
MARSAC MUNICIPAL BUILDING
MAY 9, 2018

COMMISSIONERS IN ATTENDANCE:

Chair Melissa Band, Sarah Hall, John Kenworthy, John Phillips, Mark Sletten, Laura Suesser, Douglas Thimm

EX OFFICIO: Planning Director, Bruce Erickson; Anya Grahn, Planner; Hannah Tyler, Planner; Polly Samuels McLean, Assistant City Attorney

=====

REGULAR MEETING

ROLL CALL

Chair Band called the meeting to order at 5:35 p.m. and noted that all Commissioners were present.

ADOPTION OF MINUTES

April 25, 2018

MOTION: Commissioner Phillips moved to APPROVE the Minutes of April 25, 2018 as written. Commissioner Hall seconded the motion.

VOTE: The motion passed. Commissioners Suesser and Thimm abstained since they were absent on April 25th.

PUBLIC COMMUNICATIONS

There were no comments.

STAFF/COMMISSIONER COMMUNICATIONS AND DISCLOSURES

Assistant City Attorney McLean introduced Rebecca Ward, a legal intern working in the City Attorney's Office. Ms. Ward was working on both a Legal Degree and a Masters in Planning at the University of Utah.

Assistant City Attorney McLean announced that she was fortunate to be chosen to go to Courchevel France for six weeks this summer in a first-time ever employee exchange. In October or November, a Planner from France would be coming to work in Park City. Ms. McLean noted that she would miss the Planning Commission meetings in June, and she would be back for the July 25th meeting. Rebecca Ward will attend the Planning Commission meetings in her absence. City Attorney Mark Harrington will be supervising,

and if there is an item that he thinks he needs to sit in on, he will work with Ms. Ward to make that determination. The Planning Commission would have legal counsel at every meeting.

The Commissioners congratulated Ms. McLean on being selected for the employee exchange program.

CONTINUATIONS – Public hearing and continue to date specified.

1. Twisted Branch Road Subdivision Plat – A Subdivision Plat for 3 lots of record for an on-mountain private restaurant, a City water tank, and a recreational warming shelter/yurt; platted ROW for existing Twisted Branch Road; and platted parcels for Deer Valley Resort ski trails and bridges, open space, and existing Guardsman Pass Road, subject to the Flagstaff Annexation and Development Agreement, located within the Empire Pass Development Area.
Application PL-17-03664)

Chair Band opened the public hearing. There were no comments. Chair Band closed the public hearing.

Planner Whetstone reported that this was a continuation to allow the Staff additional time to review the plat and the conditions. She clarified that the plat would create lots and parcels up Twisted Branch Road and Guardsman Road. It will plat a public right-of-way for the Guardsman Road, but instead of saying “plating a right-of-way for Twisted Branch Road”, which is a private road, the language will say that it will also plat existing Twisted Branch Road as a private road. The gates will stay in place. Planner Whetstone noted that there was confusion as to whether Twisted Branch Road would become a public road and she wanted to clarify that it was only platting the road as a private road.

Director Erickson stated that whoever makes the motion to Continue this item should remove the ROW in front of Twisted Branch, and add the words “private road”.

Planner Whetstone noted that the clarification would be made in the next Staff report and on the new revised plat.

MOTION: Commissioner Phillips moved to CONTINUE the Twisted Branch Road Subdivision Plat – A Subdivision Plat for 3 lots of record for an on-mountain private restaurant, a City water tank, and a recreational warming shelter/yurt; private road for existing Twisted Branch Road; and platted parcels for Deer Valley Resort ski trails and bridges, open space, and existing Guardsman Pass Road, subject to the Flagstaff

Annexation and Development Agreement, located within the Empire Pass Development Area to May 23, 2018. Commissioner Thimm seconded the motion.

VOTE: The motion passed unanimously.

REGULAR AGENDA - DISCUSSION/PUBLIC HEARINGS/ POSSIBLE ACTION

1. **The Gardner Parcel – First Amended located at 943-945 Norfolk Avenue – A subdivision proposing to divide the existing Gardner Parcel plat into two (2) legal lots of record. (Application PL-18-03801)**

Planner Anya Grahn reported that a plat amendment was done in the 1990s to combine three lots into a one lot subdivision. An existing historic house is on the north side of the lot. There is a 1994/1995 detached structure containing a garage and an accessory on the south side.

Planner Grahn stated that the applicant was proposing to draw a new subdivision line between the two structures, demolish the 1995 garage and rebuild the lot. She noted that currently no plans had been submitted for the re-development, but the Planning Department anticipated that plans would be submitted.

Planner Grahn reported that the applicant went to the Historic Preservation Board last week and received approval for the material deconstruction for work on the house. She showed what the plat would look like when completed. The historic house would be on Lot A and Lot B would be an undeveloped lot. Planner Grahn noted that the applicant had already applied for a demolition permit. A couple of encroachments exist in terms of retaining walls, sidewalks and pads between the two structures. The applicant applied for a demolition permit to remove the structure as well as those improvements. Those items will be cleaned up prior to recordation.

Chair Band assumed that the retaining wall would be replaced with something that would not encroach. Planner Grahn answered yes. The existing retaining walls encroach into the right-of-way and across the proposed shared property line.

Commissioner Kenworthy referred to page 24 of the Staff report, Finding 18, which stated that the proposed setback was 75'. Planner Grahn replied that it should be 10' and she thanked Commissioner Kenworthy for catching the error.

Chair Band opened the public hearing.

There were no comments.

Chair Band closed the public hearing.

MOTION: Commissioner Thimm moved to forward a POSITIVE recommendation to the City Council for the Gardner Parcel First Amended, located at 943 to 945 Norfolk Avenue based on the Findings of Fact, Conclusions of Law and Conditions of Approval as found in the draft ordinance and as amended to change the setback from 75' to 10' in Finding #18. Commissioner Phillips seconded the motion.

VOTE: The motion passed unanimously.

Findings of Fact – The Gardner Parcel

1. The property is located at 943-945 Norfolk Avenue.
2. The historic house at 945 Norfolk Avenue was constructed in 1896 by Nathaniel J. Williams.
3. In July 1994, the Historic District Commission (HDC) approved the construction of a new addition that included a four-car parking garage and 1,200 square foot apartment to the south of the historic house. The design mimicked the roof form, dormers, materials, and detailing of the historic house.
4. At the time of the HDC's approval, the use was considered a "duplex" and the house and garage. The garage and accessory apartment are in a detached structure, separate from the historic house.
5. In 1995, the Park City Council approved Ordinance 95-13, a plat amendment to combine "All of Lots 10, 11, & 12, Blk 15, Snyders Addition to Park City." The Gardner Parcel was recorded with the Summit County Recorder on July 16, 1996.
6. In 2009, this site was listed on Park City's Historic Sites Inventory (HSI) and was designated as Landmark.
7. The applicant submitted a Historic District Design Review (HDDR) application on March 13, 2018; it was deemed complete on March 19, 2018. The HDDR application is currently under review by the Planning Department.
8. The Historic Preservation Board reviewed and approved the Material Deconstruction on May 2, 2018. They determined that the contemporary site improvements were not historic and approved the removal of rock and stone retaining walls, sidewalks, landscaped stairs, driveway, and other improvements.
9. The current application proposes to subdivide the lot into two legal lots of record. Lot A (945 Norfolk Avenue) will contain 2,963 square feet; while Lot B (943 Norfolk Avenue) will contain 2,662 square feet.
10. On April 17, 2018, the applicant submitted a build permit to demolish the detached

garage structure and non-historic landscape improvements at 943 Norfolk Avenue. The permit has not yet been issued.

11. Along the front (east) side of the property, there are retaining walls that encroach into the city right-of-way.

12. Between the two buildings there are a concrete walkway, wood and concrete steps, and a portion of the covered porch at 943 Norfolk Avenue that will encroach over the proposed subdivision line.

13. Along the rear (west) yard, there is an existing retaining wall that encroaches onto the 945 Norfolk Avenue property from 950 Empire Avenue. Survey note #10 states, "There is a rock wall encroaching in the property pertinent to the construction of the adjacent property."

14. In the rear yard, there is also a retaining wall that extends from 945 Norfolk Avenue into the property to the north at 955 Norfolk, as well as a series of retaining walls that cross over the proposed subdivision line between 943 and 945 Norfolk Avenue.

15. LMC § 15-2.2-4 indicates that historic structures that do not comply with building setbacks are valid complying structures.

16. Per LMC 15-2.2-3 (A), the minimum Lot Area is 1,875 square feet for a Single Family Dwelling; Lot A will comply at 2,963 square feet, and Lot B will comply at 2,662 square feet.

17. Per LMC 15-2.2-3 (D), the building footprint is based on the Lot Size. Lot A will produce an allowable footprint of 1,254.275 square feet; it currently has a footprint of 1,186.875 square feet. Lot B will produce an allowable footprint of 1,146.079 square feet; it currently has a footprint of 960 square feet.

18. Per LMC 15-2.2-3(E), the minimum Front and Rear Yard setbacks for Lots with a depth up to 75 feet, such as these proposed lots, is 75 feet. Following the subdivision, Lot A containing the Historic House will have a front yard setback of 7 feet and a rear yard setback of 19 feet; historic structures are valid non-complying buildings. With the existing structure, Lot B will have a front yard setback of 17 feet and a rear yard setback of 16 feet.

19. Per LMC 15-2.2-3(H), the minimum side yard increases for lots greater than 37.5 feet in width. Lot A has a proposed lot width of 39.50 and will require side yard setbacks of 5 feet for a total of 10 feet; with the Historic house, the site will have a 2 foot side yard setback on the north side and a 6 foot side yard setback on the south side. Lot B has a proposed lot width of 35.50 and will require 3 foot setbacks for a total of 6 feet; with the existing detached garage-accessory apartment structure, the site will have 0 ft. setback on the north side and 12 foot setback on the south side.

20. Per LMC 15-2.2-5 Building Height, no structure shall be erected to a height greater than 27 feet from Existing Grade. The Historic house has a height of 26.1 feet and the 1994 garage-accessory apartment addition has a height of 23.9 feet. The historic house was constructed prior to the requirement of a 10-foot horizontal step in the downhill façade; it is a valid non-complying structure. The detached garage accessory

apartment was built in 1994 prior to the requirement of a 10 foot horizontal step in the downhill façade; it is legal non-complying.

21. The 1994 garage-accessory apartment addition to the site is legal non-complying; however, the applicant has proposed to demolish it and redevelop Lot B. It does not cross the proposed subdivision line, but would have a 0-foot setback if the building were to remain.

22. The 1995 plat amendment approval included a five foot (5') snow storage easement along the Norfolk Avenue right-of-way. The City has since been consistent in requiring a 10-foot snow storage easement.

23. The Park City Planning Department received the plat amendment application on March 6, 2018; the application was deemed complete on March 8, 2018.

24. All findings within the Analysis section and the recitals above are incorporated herein as findings of fact.

Conclusions of Law – The Gardner Parcel

1. There is good cause for this Plat Amendment.
2. The Plat Amendment is consistent with the Park City Land Management Code and applicable State law regarding lot combinations.
3. Neither the public nor any person will be materially injured by the proposed Plat Amendment.
4. Approval of the Plat Amendment, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval:

1. The City Planner, City Attorney, and City Engineer will review and approve the final form and content of the plat for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the plat at the County within one year from the date of City Council approval. If recordation has not occurred within one (1) years' time, this approval for the plat will be void, unless a request for an extension is made in writing prior to the expiration date and an extension is granted by the City Council.
3. Residential fire sprinklers will be required for all new construction per requirements of the Chief Building Official.
4. A 10-foot wide public snow storage easement along the frontage of Norfolk Avenue is required and shall be provided on the plat.
5. There are non-historic retaining walls that encroach into the right-of-way in front of both 943 and 945 Norfolk Avenue. The applicant shall remove these encroachments prior to recording the plat.
6. Prior to recording the plat, the applicant shall remove the non-historic encroachments between the two properties, including the concrete deck and stairs as well as the series of stone retaining walls in the backyard.

7. The applicant shall either remove the contemporary rock retaining walls or enter into an encroachment agreement with the neighbor at 950 Empire Avenue for the rock retaining wall that extends from 950 Empire Avenue into 945 Norfolk Avenue.
8. The applicant shall remove the contemporary rock retaining walls that extend from 945 Norfolk Avenue into the property directly north.
9. The applicant shall demolish the garage-accessory apartment structure at 943 Norfolk Avenue prior to recording the plat.

2. **The Anderson Plat Amendment located at 1203 Park Avenue – A plat amendment proposing to combine to combine 1.5 existing lots of record addressed at 1203 Park Avenue into one lot of record.**
(Application PL-18-03846)

Planner Grahn stated that several encroachments extend into the right-of-way, including a garage. There are also improvements that encroach into the library parcel. Planner Grahn presented a slide showing development with historic houses and the library portion.

Planner Grahn stated that the applicant was proposing to create a legal lot of record. This plat is different because there is an illegal duplex on this property. The Planning Department was working with the applicant to move forward with a Historic District Design Review to make the house single family and remove the illegal duplex. Planner Grahn noted that the plat amendment would also remove the interior lot line.

Planner Grahn reported that the Building Department was working on an agreement with the owner so the illegal duplex would not be rented and that the kitchen will be removed. Removing the kitchen removes the duplex unit, as defined in the LMC.

Director Erickson noted that the Chief Building Official and the Code Enforcement Officer were present to answer questions regarding the duplex. He pointed out that the duplex was a separate issue unrelated to the plat. Planner Grahn remarked that removal of the duplex was tied to the plat amendment in a condition of approval.

Assistant City Attorney McLean clarified that it was currently not being used as a duplex based on Code Enforcement action.

Shelly Hatch, Code Enforcement, stated that when she spoke with the owner they told her it was no longer being rented. She remarked that the next step is the Notice of Violation and she would add language stating that the kitchen needs to be removed before the plat can be recorded.

Commissioner Phillips noted that the single-family home will not come back to the Planning Commission it does not require a CUP. Planner Grahn replied that it should not come back with to the Planning Commission because a single-family home is an allowed use in the zone. However, if the plans change it might come back to the Planning Commission.

Chair Band opened the public hearing.

There were no comments.

Chair Band closed the public hearing.

MOTION: Commissioner Sletten moved to forward a POSITIVE recommendation to the City Council for the Anderson plat amendment located at 1203 Park Avenue based on the Findings of Fact, Conclusions of Law, and Conditions of Approval as found in the draft ordinance. Commissioner Suesser seconded the motion.

VOTE: The motion passed unanimously.

Findings of Fact – The Anderson Plat Amendment

1. The property is located at 1203 Park Avenue.
2. The property is in the Historic Residential-Medium (HRM) District.
3. The subject property consists of all of Lot 1 and the south ½ of Lot 2, Block 6, Snyder's Addition to Park City. The proposed plat amendment creates one (1) lot of record.
4. Though constructed prior to 1938 and over fifty (50) years old, the site is not designated as historic on the Park City Historic Sites Inventory (HSI) as it does not meet the criteria for either Landmark or Significant. The house has been significantly altered by non-historic additions that have significantly altered the house's Essential Historical Form and diminished its historic integrity.
5. On December 14, 2014, the City notified the property owner at 1203 Park Avenue via certified mail that the area on his side of the fence was owned by the City and the City would give permission to use this property; however, the owner of 1203 Park Avenue did not have any "permanent right, title, or interest of any kind" vested in the area to the east of the fence as the "City may, at some future date, elect to remove the fence and not have City property on your side of the fence." The letter indicated that the owner waived any right to compensation for the loss of improvements made to the east side of the fence as this property did not belong to him.
6. In 2016, the applicant submitted a Historic District Design Review Pre-application to

discuss development opportunities and renovation of the house. As a follow-up to the Design Review Team (DRT) meeting, staff informed the applicant via email on September 1, 2016, that the lot size did not meet the minimum requirements for a duplex and that additional research would be needed to show the duplex was constructed legally. The applicant has not provided any additional evidence to show the applicant was constructed legally, nor has staff uncovered any additional documentation verifying the legal construction of the duplex.

7. On March 24, 2017, the City received a Plat Amendment application for the Anderson Plat Amendment located at 1203 Park Avenue; the application was not complete as staff requested the applicant provide additional required information in order to move forward with processing the application.

8. During staff's review of the materials submitted, staff reaffirmed that the building is an illegal duplex. In the HRM Zoning District, Duplexes are an Allowed Use only when a minimum lot size of 3,750 square feet is provided; the applicant's lot size is 2,812.5 square feet. Staff continued to work with the owners' representative, architect Michael Stoker, through June 2017, emphasizing that staff could not move forward on this plat amendment unless the applicant either consented to a Condition of Approval to remove the illegal duplex use or the applicant prove the use had been approved.

9. On January 11, 2018, Code Enforcement received a formal complaint from a member of the public that had tried to rent the apartment, but had discovered that it was an illegal duplex. Code Enforcement Officer Shelley Hatch emailed the owner a copy of the Notice of Violation on January 30, 2018, and posted the property on the same day.

10. On February 20, 2018, the applicant submitted updated information for the plat amendment application. The application was complete on March 9, 2018.

11. No HDDR application has been submitted at this time. There has been no evidence or proof submitted in order for the Planning Director to make a determination that this was a legally constructed duplex; at this time, Building and Planning Department staff have moved forward with correcting the illegal duplex use.

12. The Plat Amendment removes one (1) lot line going through the existing structure.

13. The property currently contains 2,812.5 square feet. The property abuts Park Avenue on the east side of the house and 12th Street to the south.

14. The proposed Plat Amendment combines the property into one (1) lot measuring 2,812.5 square feet.

15. The existing house is an illegal duplex as it does not meet the lot size requirements for a duplex in the HRM zoning district and no evidence was presented with the application indicating that the duplex was allowed legally, nor has owner requested a determination that the use was a legal non-conforming use. The applicant has proposed to redevelop the house into a single-family dwelling; however, no Historic District Design Review (HDDR) application has been submitted at this time.

16.A Duplex is defined by the LMC as a Building containing two (2) Dwelling Units.

17.A Dwelling Unit is defined by the LMC as a Building or portion thereof designed for Use as the residence or sleeping place of one (1) or more Persons or families and includes a Kitchen, but does not include a Hotel, Motel, Lodge, Nursing Home, or Lockout Unit.

18.A single family dwelling is an allowed Use in the HRM zoning district and requires a minimum lot size of 1,875 square feet; the lot size complies with this requirement.

19.A duplex dwelling is an allowed Use in the HRM zoning district and requires a minimum lot size of 3,750 square feet; the lot size does not comply with this requirement.

20.The minimum lot width in the HRM zoning district is 37.5 feet; this lot complies with a lot width of 37.5 feet.

21.The required front yard setback is 10 feet; the existing front yard complies at 15 feet.

22.The required rear yard setback is 10 feet; the existing rear yard setback does not comply at 0 feet as the garage encroaches over the west property line.

23.The required side yard setbacks are 5 feet; the existing side yard setbacks do not comply as the house is 2 feet along the north property line and the garage has a 0 foot setback along the south property line.

24.There are several encroachments on this site that have been verified by the existing conditions survey. The existing garage and concrete pathways encroach into the 12th Street right-of-way. Along the west property line, a portion of the garage encroaches onto the neighboring City-owned property at 1255 Park Avenue (Park City Library).

25.In 1992, the City constructed the fence in order to prevent cars parked in the Library parking lot from shining lights into the houses to the east.

26.There is no maximum building footprint requirement in the HRM zoning district. The house has to meet the required setbacks.

27.All findings within the Analysis section and the recitals above are incorporated herein as findings of fact.

Conclusions of Law – The Anderson Plat Amendment

1. There is good cause for this Plat Amendment.
2. The Plat Amendment is consistent with the Park City Land Management Code and applicable State law regarding lot combinations.
3. Neither the public nor any person will be materially injured by the proposed Plat Amendment.
4. Approval of the Plat Amendment, subject to the conditions stated below, does not adversely affect the health, safety and welfare of the citizens of Park City.

Conditions of Approval – The Anderson Plat Amendment

1. The City Planner, City Attorney, and City Engineer will review and approve the final form and content of the plat for compliance with State law, the Land Management Code, and the conditions of approval, prior to recordation of the plat.
2. The applicant will record the plat at the County within one year from the date of City Council approval. If recordation has not occurred within one (1) years' time, this approval for the plat will be void, unless a request for an extension is made in writing prior to the expiration date and an extension is granted by the City Council.
3. A ten feet (10') wide public snow storage easement will be required along the Park Avenue and 12th Street frontages of the property and shall be shown on the plat.
4. The property owner shall remove the portions of the c.1974 garage that encroaches into the City-owned property at 1255 Park Avenue along the west elevation as well as the portion of the garage that encroaches onto the 12th Street right-of-way on the south elevation. This shall be completed prior to recordation of the plat amendment with the Summit County Recorder's Office.
5. The applicant shall enter into an agreement with the City specifying that the Kitchen will be removed no later than June 29, 2018, and the duplex unit will not be rented out; the illegal duplex use shall be removed prior to recording the plat with Summit County Recorder's Office.
6. A note shall be added to the plat stating that residential fire sprinklers will be required for all new construction per requirements of the Chief Building Official.

3. **Land Management Code (LMC) Amendment – LMC Amendments regarding Affordable Housing in Chapter 15-6-7 Master Planned Affordable Housing Developments (Application PL-18-03846)**

Planner Hannah Tyler reviewed the Master Planned Affordable Housing Developments Land Management Code amendments. These amendments went to the City Council on April 4th in response to the Council Retreat where the City Council reaffirmed affordable housing as a critical priority. Planner Tyler stated that many of these amendments were consistent with the General Plan, as well as the City Council goals.

Planner Tyler reported that the Planning Department has been working closely with the affordable housing team. She noted that the purpose of this amendment is to incentivize public and private development of affordable housing within the City limits. The criteria for using this Code is to have an acre or more of land, or using a minimum of ten unit equivalents. A residential unit equivalent is 2,000 square feet; therefore, 20,000 square feet of residential use is the threshold to use this section of Code at the base.

Planner Tyler stated that the issue with this section of the Code is that no affordable housing project has actually used this Code, even though it has been in the LMC since

1984. The Staff began looking at the critical issues and the problems. One is the parking requirements. Currently, the requirement is one space per bedroom, which is much different than a normal development requirement. Second is the requirement to have a minimum of 100% affordable. She used the most recent Woodside Park Phase I as an example of a development that is not 100% affordable. These are City projects, and in order to fund these projects the City has to sell some market rate units. Therefore, the City could not meet this section of Code. Planner Tyler pointed out that the intent is to bring this section of Code more in line with reality.

Planner Tyler noted that one change is to lower the minimum percentage of affordable units. They propose to restructure the density bonus allocation from the current flat density bonus of 20 UEs and change it to a zone by zone basis. The next would be to create consistency in the off-street parking requirements. Finally, the definitions would be updated to be consistent with the Housing Resolution.

Planner Tyler remarked that when the Staff met with the City Council they were given direction to work out appropriate density bonus allocations. They looked at other cities and benchmarked what Park City was doing compared to other communities. The Planning Department also conducted a Park City specific density study; and looked at what density actually is from a land use standpoint. The Planning Department library has many books that look at density and different communities ranging from 100 units per acre to one unit per acre.

Commissioner Suesser asked for an explanation of the density bonus allocation. Director Erickson explained that currently in a regular MPD the developer can apply for up to 20 units per acres as a density bonus if the development is 100% affordable. He noted that the allocation fails on two levels. One is the requirement for 100% affordable. Second is that the density bonus is not an incentive because there is never enough land to meet that requirement. The Staff was proposing to change the way the way the density incentive works.

Planner Tyler started her review with the purpose statement of the Code. She reiterated that currently, there has to be 100% affordable housing to use this section of Code. The proposed amendment would lower that amount to 50%. They were also proposing to allow attainable housing to count towards the minimum percentage of affordable because the Housing Resolution currently counts attainable housing, which is 101% to 150% of area median income. The Staff report included a grid on what that would look like based on family size. Planner Tyler stated that the numbers come from the Housing Resolution which is guided by the Housing Authority, who is the City Council, and those numbers change on an annual basis. In order for this Code to be consistent with what the City

Council wants to provide with affordable housing, the amendments add “attainable” to this Section.

Director Erickson explained that the strategy that Planner Tyler was bringing forward is an effort to tie the LMC as closely as possible to the Housing Resolution. It allows the City Council to fine tune the resolution every year without having to revise the LMC every year. That strategy carries through all the amendments proposed for this Chapter.

Commissioner Kenworthy was anxious to hear about changes to the parking because parking is the restriction on all of these Codes.

Planner Tyler noted that the purpose statement is similar to what was done in 1984; however, the goals for affordable housing have not changed. In the 2000s, an update was done to represent the General Plan at the time. The Staff assessed it with the Affordable Housing Team and found that overall the purpose is consistent with what the City Council wanted.

Planner Tyler commented on density bonus. She reiterated that the current density bonus is 20 unit equivalents per acres. Anyone can have that bonus under the current requirements. When this was before the City Council there was a lot of pushback on that number because 20 UEs equates to 40,000 square feet of residential area. They looked at ways to calculate density bonus on a zone by zone basis. They agreed that density should be allocated proportionately to the base zone density. For example, HR-1 should have density that is consistent with the neighboring properties. Planner Tyler stated that two sliding scales were created. One is a density bonus for the percentage of affordable or attainable of the total project area. If 50% of the project is deed restricted attainable or affordable, a 50% density bonus would be allocated based on the base zone density. The Staff report contained a chart of every zone that was based on the maximum density. However, the chart does not take into account infrastructure requirements and other issues with an individual lot.

Planner Tyler stated that the next scale is that the City would provide a density bonus based on the AMI served. The AMI will be tied to the Resolution as reflected in the redlines on Exhibit 1. She noted that every MPD will have a base affordable housing obligation. Those units will not count towards the percentage of affordable; therefore, a density bonus will not be given for the base affordable housing obligation. Planner Tyler explained that 50% of the density bonus will be required to be affordable housing. The other half could be market rate, which will hopefully incentivize the private sector to utilize this section of the Code.

Director Erickson clarified that both scales are used in the calculation of density. The development has to deliver the required units and be consistent with the zone bonus rate. He pointed out that the amendments are structured in a way that drives market rate to get affordable housing, but it does not drive adding market rate to any zone. That was an issue raised by the City Council and Planner Tyler drafted language to address their concerns.

Commissioner Sletten stated that he was on the City's Blue Ribbon Housing Commission and one of the matrixes was included in the Staff report. Commissioner Sletten noted that it was looked at purely from a public standpoint and it did not include a partnership or include tax credits. The Blue Ribbon Commission strictly looked at what affordable level within a total project needed to be included in order to drive to 12%. He noted that the percentages they came up with were considerably lower than what was being proposed with these amendments. Commissioner Sletten clarified that he was not opposed to making changes because no applications were submitted under the current Code. However, he questioned whether applications would be submitted under the amended Code, based on the two charts and the matrix comparing the EPS study to what is being proposed this evening.

Anne Laurent, Community Development Director, did not believe that what was being proposed would overcome what developers or landowners can make doing a market rate project. She noted that the City has received proposal on City-owned land. There is little land left and people approach the City to do an affordable housing project if the City gives them the land. However, they later come back asking for height exemptions, parking exemptions, and exceptions from Historic District Guidelines and other things. For that reason, the City started doing affordable housing projects because the caveats for someone else to do it were unknown in terms of cost to the City. Ms. Laurent believed these changes would give the City the opportunity to put out an RFP on City-owned land because they now know what can be done in terms of additional density and other matters, and they could draft a public/private partnership to clarify who is responsible for what costs and what those costs would be.

Director Erickson clarified that the Staff report contained the EPS study so the Commissioners could see the relationship of density, as well as the relationship between doing detached products and the townhome/flat type products in those two calculations. He pointed out that all of the numbers include a land cost. Two things will occur going forward. The Housing Department will benchmark against the existing projects to see where they come out on Woodside I, Woodside II, 1450 and 1460 Park. They were also looking at the King's Crown project and Ivory to make sure it works. Director Erickson remarked that resources were committed out of his budget to go outside to something like EPS to re-run the models from an external standpoint to make sure these sliding scales

are attractive, particularly for a public/private partnership. Once the Planning Commission provides feedback, Planner Tyler will go back to the City Council to make sure this makes good business sense and how it compares to other models. Director Erickson stated that most of the HUD funding housing works at a density of approximately 7 or 8 units per acre.

Scott Loomis with Mountainland Trusts has agreed to use HUD money, particularly relative to rental units, at the low end of the AMI.

Mr. Sletten believed the public/private partnership was the key to the model. The Blue Ribbon Commission came to that conclusion in looking at every different aspect.

Planner Laurent noted that the Housing Authority, which is the City Council wearing a different hat. She stated that the Housing Authority has a money allocated for affordable housing and they already have projects lined up where they intend to spend that money. However, it is not a fund that replenishes itself and the City will run out of money. They need private investment in affordable housing and the City needs to find ways to create better opportunities.

Commissioner Kenworthy asked if they had calculated the density difference that they would have been able to do as a City on the Park Avenue project or any other City projects in terms of these amendments. Director Erickson replied that a 50% density bonus in the HR-1 zone results in four additional units. In order to do four additional units on Woodside Park Phase I, or 1450/1460 Park, the units would be smaller. He calculated the square footage for the additional units. Commissioner Kenworthy thought the extra units would be significant. Director Erickson commented on the size of dormitory-style housing for seasonal workers at 20%-30% AMI.

Commissioner Sletten agreed that anything additional was better; but he suggested that they keep an eye on the matrix and calculate the returns. If minor tweaks can be made to improve the ratios they should do it. Director Erickson anticipated that the Housing Authority would calculate the numbers and the City would use outside resource such as EPS because they already have the models.

Chair Band noted that the eight condos at Central Park has less density than the Green Park Co-housing that was previously proposed. Central Park did not maximize the density. Having the density does not mean it would be used because they take into account rhythm and scale and other issues. Director Erickson commented on other measures for density such as being in close proximity to transit and in close proximity to developed parks and recreation.

Planner Tyler commented on the current parking requirements in the section, which is one space per bedroom. The proposed amendment would match the off-street parking

requirement to the standard MPD requirements so everyone is treated equally. She provided an example to explain the current requirement, which the Staff believed deterred any affordable housing project. Planner Tyler remarked that a second piece is to create a parking exemption for micro-units. Micro units are 500 square feet or less in a typical studio configuration. They units would still be deed restricted affordable and she assumed it would target seasonal workers who may not own a car. Planner Tyler noted that no more than ten micro units will be allowed to use the exception. A parking management plan would be necessary to mitigate the negative impacts of not providing for up to ten units.

Chair Band asked what a parking management plan would look like. Director Erickson stated that a benefit to the City doing the development is that they can control the deed restrictions. The deed restriction has the ability to restrict the total amount of parking. Secondly, the City is debating whether spaces need to be assigned, and that is being benchmarked against 1450/1460 Park and Central Park Condos, which did not assign parking spaces. They are watching to see if the non-assigned parking spaces reduces the total amount of parking demand. Director Erickson stated that Planner Tyler was also bringing forward the shared ride model to reduce parking. Proximity to transit is a major component in a management plan. Director Erickson believed within the next five years that the City would look at additional neighborhood parking plans for specific areas.

Chair Band understood that the parking management plan was more about enforcement. Director Erickson replied that it was about enforcement and about putting underlying legal restrictions on who can have a car in a project.

Commissioner Kenworthy believed the parking issue was a critical issue for the private sector in trying to accomplish the low end of parking issues. He used examples on Main Street and Swede Alley to explain his concern. He enjoyed this parking discussion and felt they needed to seriously consider eliminating parking for the micro units to encourage developers to build these additional units.

Commissioner Thimm asked how the Staff came up with ten micro-units as a solid number regardless of the size of a project. He thought it should be a percentage rather than an actual fixed number. Planner Tyler was open to exploring a percentage. The City Council had discussed putting a cap on the micro-units but did not specify a number. The Staff came up with ten following the Council meeting. She was not opposed to percentage based parking. Commissioner Thimm remarked that in terms of land use and density, it was more logical to base it on project size rather than fixed number.

Director Erickson noted that there is a mechanism inside the parking management plan to vary parking. There is also a mechanism inside the MPD to vary parking. He did not believe they knew enough about the function and residents of the micro-unit to make it

percentage based at this point. The intent is to make it easy to manage. If it is not right, they can fix it in the future. Director Erickson noted that some of what Planner Tyler was presenting this evening, including the fixed limit on units, came from her research on other resort towns. At this point, he did not think a percentage would be any better.

Ms. Laurent remarked that the City Council has goals on the housing side and parking has been considered a hindrance for building affordable units. For her, the question is which comes first; reducing the parking requirement and then having more regulation in the streets, or waiting to do the reduction until the parking program is in place. Ms. Laurent did not want affordable housing developments to be a "black eye". She wanted people to look at them favorably.

Director Erickson remarked that another issue for parking is the question of how many people are sleeping in a bedroom and how many bedrooms can be separately rented. Some communities regulate the total number of rooms that can be rented. Currently, Park City does not have those types of regulations.

Ms. Laurent noted that there was a difference between what Director Erickson was talking about and the affordable housing program. Affordable housing is deed restricted housing. What Director Erickson was talking about could be a private landowner and the home is not deed-restricted. Ms. Laurent clarified that there are restrictions regarding rental aspects in the deed-restricted units.

Commissioner Kenworthy remarked that parking was a difficult issue for the City and it was the hardest issue for the developers to overcome to build these smaller units.

Chair Band asked if the Housing Authority has considered specifying a certain number of cars per unit in the lease or in the deed restriction. Ms. Laurent replied that it could definitely be restricted with a major caveat. If they allow public parking on the street, they cannot prohibit the unit resident from using public parking. If they restrict the parking it pushes people into the street, which creates another issue unless they have a parking restriction program in the neighborhood. Chair Band clarified that her point is regardless of whether it is a rental or deed restricted unit, that person signs on to only have one car. She understood it would be difficult to enforce, but if that house has a car on-site and another car on the street that would be a violation. Ms. Laurent clarified that the deed restriction is to the lots; not to the public right-of-way. The City cannot restrict fair access to the public right-of-way.

Director Erickson noted that the current permit program is to give out as many permits as anyone wants. The first control mechanism to is limit the number of permits each property can have in the Historic Districts to most likely two. He believed that would have a

significant effect on parking. Director Erickson suggested that they not get hung up on parking because they all understand the problem. He relied on Planner Tyler to adequately work out the parking situation.

Planner Tyler remarked that the next amendment was a Code clean-up. The rental restriction section has a provision about moderate income housing exception, which the City does not have. The last one added a definition of Attainable Housing. The proposed definition exactly mirrors the housing resolution. Because this term is referenced a lot in needed to be in both the LMC and in the Housing Resolution.

Planner Tyler noted that the Staff was looking for feedback and a recommendation to the City Council for the proposed amendments. It will go back to the City Council next week to get the amendments in place so new projects coming in can be subject to the new Code.

Commissioner Thimm noted that incentives and parking restrictions were one avenue. However, in terms of project design, he asked if thought was given to having further incentives for affordable housing having to do with additional height. Director Erickson answered yes. The current policy is that the City is unwilling to allow a different height than what is allowed in the zone where the project is being developed.

Commissioner Kenworthy asked about putting housing inside the transportation hubs. For example, in Boulder, Colorado Google did transportation underneath their building. Director Erickson replied that it was being looked at on the Homestake project and Iron Horse as part of that District. They saw an opening with potential developers to wrap their parking garage with the housing requirement. He thought that might be tried at the Canyon quicker than in Park City. Commissioner Kenworthy asked if it was in the Code. Director Erickson replied that it could be done right now under the Code. They also have the opportunity to do mixed-use inside of the Code.

Assistant City Attorney McLean stated that she had reviewed the Staff report extensively; however, in looking at it again, she had two questions. Ms. McLean noted that the chart mentioned that the bonus was limited only for AUEs. She asked Planner Tyler where that was referenced in the language. Ms. McLean asked if the Staff had thought about how to determine what the AMI should be for the density bonus units. She questioned whether there was a restriction or if they could be attainable units.

Planner Tyler stated that the language says that it can be affordable or attainable for the density bonus inside the sliding scale. Director Erickson explained that when a proposal is submitted and the developer proposes x-number of units at y-AMI, they would get a bonus for that. The deed restrictions would keep the units at that AMI.

Planner Tyler pointed Ms. McLean to the language that addressed her first question. Ms. McLean read, "A minimum of 50% of a density bonus shall be affordable housing". She understood that half of the bonus could be market rate. Planner Tyler replied that she was correct. Ms. McLean thought the language was different than what was identified in the bonus density chart. The Staff would make the chart and the language consistent before going back to the City Council. Chair Band asked for clarification on the intent. Planner Tyler replied that the intent is that half of the density bonus units can be market rate and half must be affordable. For example, if the density bonus is five units; 2.5 units can be market rate and 2.5 must be affordable. Ms. McLean pointed out that 2.5 units could be affordable or attainable.

Director Erickson clarified that the original intention was not to allow original market rate as part of the density bonus. He believed the final conclusion was that 50% of the bonus would be affordable units and 50% could be market rate units. Ms. McLean recalled a previous discussion that if it is part of an MPD, the developer would not get extra density.

Chair Band understood that the density bonus was not to help developers pencil their development. It is more to bring in developers who can make affordable housing work. Ms. Laurent stated that from her experience it would be discounted or donated land, and it would be a partnership that the City participates in in some way. It makes the development on the site a known quantity for the proposed developer to negotiate. Currently, it is an open book and no one knows what the Planning Commission might or might not approve.

Director Erickson noted that the Planning Department was reviewing a preliminary proposal for 60 dormitory units at an existing condominium project inside of Deer Valley, completely independent of market rate, because they are short of housing units. Director Erickson had not seen all of the specifics, but he believed it would generally work. The problem is that they do not want to overburden the system with housing that was not designed to accommodate that number of units.

Commissioner Suesser asked if the City would be a partner in that dormitory housing. Director Erickson answered no. At this point it was a private developer.

Ms. Laurent commented on the difference between rental and seasonal versus affordable and for-sale. Chair Band wanted to know at what percentage of AMI it was feasible for someone to go from being a renter to being an owner. Ms. Laurent replied that the rule of thumb out of HUD is that in order to obtain a mortgage and own a home, it is 60% of AMI. Typically, 40%-50% of AMI are people who rent. In some cases, people in the 40%-50% AMI can qualify for a higher AMI priced unit.

Ms. Laurent noted that it is difficult to do a public/private partnership in a deed restricted unit on rental because they are deed-restricting the rate rent that can be charged in perpetuity. At some point the owner has to reinvest in the property to fix it up, but they are not making additional money to pay for those improvements. Ms. Laurent stated that tax credit projects only last 15 years, but they can reapply for new tax credits, resell the tax credits and fix up the units. It provides an infusion of cash to keep the units affordable for a few more years. If the City puts its funds into a rental project in a public/private partnership, the developer is likely to want to develop the project and either own it or sell it to an operator with deed restriction that says it is only for x-amount of years. After that it becomes market rate, or the City has to reinvest in order to keep it affordable. Seasonal housing works as workforce housing because the unit itself is not restricted. She explained the calculation to show why dorm-style housing is able to sustain itself.

Commissioner Hall recalled a previous comment by Ms. McLean regarding affordable housing at the Montage. If it was feasible, she asked if they should at least allow the Montage to explore that option. Ms. McLean explained that the large-scale MPDs are heavily negotiated. From a legal standpoint it opens up a can of worms because it would require re-opening the MPD. Per the Code, if an MPD is opened, everything in the MPD can be re-addressed. Ms. McLean stated that it was ultimately a policy decision, but re-opening an MPD is a challenge.

Chair Band opened the public hearing.

There were no comments.

Chair Band closed the public hearing.

Director Erickson asked Planner Tyler to reiterate what she wanted from the Planning Commission. Planner Tyler stated that the Staff recommendation was to forward a positive recommendation based on the proposed redlines in Exhibit 1. The Staff was planning to take this back to the City Council next week to get these amendments adopted and in the Code, so as projects start to come in the applicants can use the amended Code section in an effort to encourage more affordable housing.

Commissioner Phillips thought a lot of thought had gone into this matter by the Staff, the City Council, and the Blue Ribbon Commission. The City Council has motivation which is driving this forward. He did not have additional comments or proposed changes to offer.

Commissioner Phillips had comments that were off-topic, but he thought this was a good time to mention it. He pointed out that the intent is to get people who work in Park City to live as neighbors in Park City. It made him think of accessory apartments and finding

different ways to incentivize new construction and new homes to put in accessory apartments. Commissioner Phillips asked if there was room for allowing flexibility in the Code for accessory apartments in terms of footprint and setbacks. He thought it was important to incentivize the residential unit community to have affordable accessory units. Commissioner Phillips noted that in an earlier item this evening they were talking about an illegal duplex. He was curious to know what makes it a duplex versus an accessory apartment. He questioned whether there was a way to adjust the numbers and formulas to make it pencil out for homeowner and others to be incentivized to add a unit in one of their homes.

Director Erickson stated that the City is looking at a number of ways to possibly deregulate accessory apartments and to accommodate them without pushing cars onto the streets. Commissioner Phillips noted that San Francisco is grappling with the same issue and they have a program in place that provides the opportunity. It is driven by the cost of housing, which is what Park City is experiencing.

Planner Tyler noted that Salt Lake City was currently revisiting the issue with the City Council about adding Accessory Dwelling Units in all zones. She offered to forward the links to the Planning Commission if they were interested. Planner Tyler stated that currently Salt Lake requires a certain proximity to transit. A number of historic homes already have accessory units that were put in during a historic period. They have illegal ADUs and the larger, richer communities do not want ADUs in their community. Director Erickson stated that the Staff had benchmarked the AEU model in Boulder, Colorado. He noted that if Park City could ban RV parking in driveways, it would free up a parking space for an accessory unit. People choose to have a consumptive lifestyle and it precludes the opportunity to use that parking space for an ADU.

Mr. Laurent noted that many areas in Park City allow accessory apartment but people do not take advantage of it for a few reasons. One is they do not want to take parking spaces that are currently provided. They have talked about a way to apply the micro-unit piece to an exempt parking situation if it meets specific criteria. Another piece is that if the City opens that flood gate, communities where the HOA prohibits accessory apartments will come out and ask for the ability to come to the City if someone violates that prohibition.

Director Erickson stated that the new definition for yard/side yard/driveway/parking area may affect the ability to drive additional parking spaces. He anticipated that it would come before the Planning Commission next month. It will address RV parking and more parking in the right locations.

Commissioner Hall asked about the conversations the Staff has had with the developers regarding incentives. Ms. Laurent replied that the developers want to make money. They

are not interested in doing an affordable housing projects if it loses money. Commissioner Hall asked if the proposed plan was primarily targeted for an RFP or a joint project. Ms. Laurent stated that currently if a developer wants to do a development on city-owned land and submits a proposal, their first question is what are they allowed to do. They are told they have to do an MPD, which is a negotiated process with height limits and parking requirements. The developers usually come back requesting exceptions from all the requirements to make it pencil. The developers rarely share their numbers until there is a development agreement where it can be held confidential as a private development. Ms. Laurent noted that the cost of construction, materials, and contaminated soils is significantly high, and density is the only way to offset those costs. Ms. Laurent pointed out that there are many parcels where the density is not maximized, and the Commissioners should not be fooled by the density argument.

Director Erickson stated that density is also a function of what AMI they were targeting, and what family unit they are targeting. He suggested that they look at Planner Tyler's table of density comparisons with the affordable housing units currently in stock. They sit at considerably less than 20-30 units per acre.

Commissioner Kenworthy asked how often the fee-in-lieu program has been used in the residential zoned areas. Ms. Laurent replied that it is not used very often. It is primarily used when there is a partial unit obligation. Sometimes a payment is made in-lieu to someone else who is delivering a product that fulfills the obligation. The fee-in-lieu goes through the Housing Authority. It is a fairly low priority, but now that projects are in the pipeline the Council is more interested in considering in-lieu for those who have a hard time knowing what to do with affordable housing. Commissioner Kenworthy specifically asked about fee-in-lieu for the parking situations. Director Erickson replied that the fee-in-lieu for parking only applies in the Historic District. He explained that the parking fee-in-lieu was specific to the Historic Commercial Business, and it was designed to fund a portion of the China Bridge. All the lots on Main Street are zero lot line and there is no available parking. The idea was to provide the needed parking inside China Bridge. In 1984 everyone was able to buy in at 1.5 floor area ratio and use their parking money to build China Bridge. The fee-in-lieu built the second phase. If someone wanted to do an expansion, they paid the fee-in-lieu. The problem is that some historic buildings are exempt. Director Erickson stated that the City was currently looking at the fee-in-lieu program to see if they were incentivizing people driving to Main Street or whether additional restrictions are required. It is different than the fee-in-lieu for housing. Director Erickson believed a fee-in-lieu would be the last priority that the Housing Authority would accept.

Commissioner Kenworthy asked for the cost of a fee-in-lieu for a unit. Ms. Laurent replied that it was based on the average residential construction cost per square foot that is calculated by the Building Department. She believed it was approximately \$300 currently.

Commissioner Sletten noted that the Blue Ribbon Commission applied it across the Board, and it applied to an addition or remodel on a house. If the addition was \$250,000, a percentage of the fee-in-lieu would go towards affordable housing. It was a meaningful fund for the City to use for recycling real estate. Ms. Laurent stated that the Budget Department has been working on ways to find other sources of revenues. However, they are limited by the State in terms of what they can charge for impact fees and other assessments.

Commissioner Thimm stated that he has been involved in a number of affordable housing projects and they are difficult. They are difficult to finance and it is difficult to get a community behind them. In Park City the governing entity is supportive of affordable housing and that is a great benefit. He supports the proposed amendments and was in favor of forwarding a positive recommendation. However, in looking at the micro-unit exemption, it might be difficult to figure out a percentage, but it is doable. It is important to find a percentage that would help to incentivize additional units. With respect to building height, Commissioner Thimm did not believe it made sense from a massing and planning standpoint to allow it in every district, but there are districts where height could make sense. Commissioner Thimm did not believe they were doing the best they could in looking at this honestly if they do not look at increasing the buildable area. He recognized that it might be a future discussion, but being dead-set against it across the board limits what they might be able to do.

Director Erickson did not disagree with Commissioner Thimm. They had looked at the Fireside and Iron Horse units and some of the units have additional stories. They were not opposed to height on some of the hillsides where there is a backdrop. Director Erickson believed the biggest constraint on meeting the housing demand is how many exemptions they have from the requirements for housing; as well as the percentage of the affordable housing project to be developed.

Chair Band understood that these amendments were being proposed for the purpose of clarity moving forward. It may not be perfect but it is step one towards a better end result. She believed more work needed to be done but these amendments accomplished the intended goal.

Commissioner Kenworthy supported the comments made by Commissioner Thimm. They have to find a compromise. The City was doing everything possible regarding transportation, but if they want to satisfy the affordable housing issue, they may have to compromise by allowing height in areas where they do not particularly want height.

Chair Band pointed out that the City looked at additional height and density during the previous Bonanza Park discussions. She asked if that discussion would be resurrected

and whether they would again look at height and density in certain areas. Director Erickson stated that the current direction to the Staff is to work within the current Code. Currently, some height exceptions can be applied for open space and design. He believed Bonanza Park failed more because of the form based code issue rather than because of additional height.

Ms. Laurent gave a brief update on the Homestake lot and the Bonanza Park area. She noted that the neighbors are in favor of redevelopment but they are against height that blocks their views. Ms. Laurent stated that from the outreach the City has conducted, there is a strong sensitivity to additional height. If the Planning Commission wants to push the issue, they can make that recommendation to the City Council to be considered as policy. The balancing act is to push the issue for meaningful process, but not so hard that it kills progress. They are still trying to find the right balance.

Director Erickson suggested that the Planning Commission could add to their recommendation to ask the Planning Department to continue to work on additional solutions for height and parking restrictions, and to continue to work on the cap on micro-units for parking reductions.

Commissioner Suesser requested that they also add consistency throughout the proposal with regards to the density bonus. Also, making rental units a priority.

MOTION: Commissioner Sletten moved to forward a POSITIVE recommendation to the City Council for the proposed changes to the Land Management Code regarding amendments addressing Master Planned Affordable Housing Developments in LMC 15-6-7 and associated Defined Terms in LMC 15-15 per Exhibit 1, with additional recommendations to the Planning Department to continue to work on the height modifications, to continue to work on the limitations to the micro-unit, to clarify the language with respect to market rate units versus density bonus, the parking restrictions, and to continue to work on trying to deliver additional rental units. Commissioner Thimm seconded the motion.

VOTE: The motion passed unanimously.

The Park City Planning Commission Meeting adjourned at 7:20 p.m.

Approved by Planning Commission: _____

APPROVED