Summary Recommendations
The Planning Department requests the City Council open a public hearing, review the proposed Land Management Code amendments, and approve the Land Management Code (LMC) Amendments as referenced in this staff report.

Executive Summary
On April 5, 2018, City Council gave staff direction to complete Land Management Code (LMC) amendments addressing Master Planned Affordable Housing Developments in LMC § 15-6-7 and associated Defined Terms in LMC § 15-15. On May 9, 2018 Planning Commission reviewed the proposed LMC Amendments and forwarded a unanimous positive recommendation to City Council with a request to add clarifying language in the Density Bonus section (see Exhibit 1). The Planning Commission requested that Planning Staff consider the following as follow-up LMC Amendments at a later date: Height Exceptions, incentivizing Rental Units, and a percentage based Micro-Unit Parking Exemption.

Description
Project Name: LMC Amendments regarding Master Planned Affordable Housing Developments (LMC § 15-6-7) and Defined Terms (LMC § 15-15)
Applicant: Planning Department

Acronyms in This Report
AMI  Area Median Income
FAR  Floor Area Ratio
MPD  Master Planned Development

Proposal
Planning staff and the Affordable Housing team have collaborated to create Land Use controls with the intent of incentivizing Affordable Housing Development. These changes may have more effect on public-private partnerships that direct private sector development. At the highest level, the Planning and the Affordable Housing staffs are proposing the following changes to LMC § 15-6-7 Master Planned Affordable Housing Development:

- **Minimum Percentage Affordable**: Allow for projects that are a minimum of 50% Affordable to utilize LMC § 15-6-7.

- **Density Bonuses**: Reallocate the Density Bonus to incentivize more Affordable/Attainable units in a development and create a Density Bonus that is proportional to the Base Zone Density. Density bonuses will be awarded based on **Percentage Affordable** and AMI served. A minimum of 50% of the Density Bonus will have to be Affordable/Attainable.

- **Off-Street Parking**: Match the Affordable Off-Street Parking requirements to the **standard MPD Requirements (see “E”)**.

- **Parking Exemption**: Create parking exemption for micro-units (500 square feet or less).
Background
Please see the Background section on page 52 of the Planning Commission Staff Report.

Analysis
Please see the Analysis section on page 57 of the Planning Commission Staff Report for a thorough analysis. Below, staff has provided brief analysis for each amended section of LMC § 15-6-7 and LMC § 15-15. All redlines can be found in Exhibit 1.

LMC § 15-6-7(A) PURPOSE
The current threshold to utilize the Affordable Housing MPD Section requires 100% of a project to be Affordable. Given the current market trends, staff does not find that this will promote Affordable Housing development by private sector developers. These same market trends impact City-funded Affordable Housing projects. Staff is proposing to reduce the affordability threshold to 50% of a total project area and to include the Attainable Housing.

LMC § 15-6-7(E) DENSITY BONUS
Density, as used in the LMC, is referred to in terms of Units per Acre or, in MPDs as Unit Equivalents (UE) per acre. A UE is “the Density factor applied to different sizes and configurations of Dwelling Units and commercial spaces.” Residential UEs equate to 2,000 SF. In some Zones, restrictions on Building Pad or Building Size are used to control Density. This makes calculation of comparable Density and Density Bonuses by Zone complicated.

The current language allows for an increase in the allowable Density to a maximum of twenty (20) UEs per acre – this dates back to as early as the 1984 Land Management Code (Exhibit 2). Staff is not proposing to exceed the existing maximum allowable Density; rather, staff is proposing to reallocate the Density Bonus to incentivize more Affordable/Attainable units in a development and create a Density Bonus that is proportional to the Base Zone Density. Staff finds that the intent of this section of the LMC is to allocate a Density Bonus based on the number of Affordable/Attainable Units delivered under the Base Zone Density.

Staff has tested the proportionate allocation of the Density Bonus based on the Base Zone Density derivative for consistency and appropriateness to each Zone – see Table 1 on pg. 58-60 of the Planning Commission Staff Report. The approximate Units per acre do not account for unit type variations, Building Envelope calculations, infrastructure requirements, etc. In Park City, most Zones determine Density based on a Lot Size and Building Envelope method (FAR, setbacks, heights, etc.); however, Base Zone Density can be derived from that density metric (see Table 1 referenced above). For a sampling of anecdotally “dense” developments see Table 2 on pg. 60 of the Planning Commission Staff Report.

If a Developer seeks to exercise the increased Density allowance incentive by providing Affordable/Attainable Housing Units, the Developer must agree to follow the guidelines and restrictions set forth by the Housing Authority in the adopted Affordable Housing Resolution in effect at the time of Application. A Density Bonus would not be awarded for the base Affordable Housing units that fulfill an Affordable Housing obligation for a development; rather, a Density Bonus would be awarded for Affordable/Attainable Units provided that exceed the development’s base Affordable Housing obligation.

Planning Commission requested clarifying language for the following: 1) A minimum of 50% of a Density Bonus shall be allocated to Affordable/Attainable Housing - the other 50% of the Density Bonus can be market rate; and 2) A Density Bonus cannot exceed preexisting MPD Density approvals for market rate units - existing approved MPDs cannot obtain additional market rate Density through this process. This language is in the Draft Ordinance (Exhibit 1).
LMC § 15-6-7(F) PARKING
Off-Street Parking: The current Parking Requirement for Affordable Housing MPDs (1 per bedroom) typically turns out far greater than that of a standard MPD which is one of the greatest deterrents to using the current section of Code. Staff will match the standard MPD Off-Street Parking Requirements which are based on the uses defined in LMC § 15-3-6 Parking Ratio Requirements for specific Land Use Categories.

Parking Exemption: At the time of application, the analysis for supporting a micro-unit (≤500 SF) parking exemption will include a thorough transportation analysis (density, transit, shared parking, connectivity, pedestrian accessibility to good and services, etc.).

LMC § 15-6-7(G) RENTAL RESTRICTIONS
Staff has made clarifying amendments as this section of code is intended to apply to both Affordable and Attainable housing.

LMC § 15-15 DEFINED TERMS
Staff has added a definition for Attainable Housing which has been pulled directly from Resolution 03-2017 Affordable Housing Guidelines and Standards.

Process
Amendments to the Land Management Code require Planning Commission recommendation and City Council adoption. City Council action may be appealed to a court of competent jurisdiction per LMC § 15-1-18.

Department Review
This report has been reviewed by the Legal Department, Executive, Affordable Housing and Community Development Department.

Notice
Legal notice of a public hearing was posted in the required public spaces and public notice websites and published in the Park Record on April 21, 2018 per requirements of the Land Management Code.

Public Input
Public hearings are required to be conducted by the Planning Commission and City Council prior to adoption of Land Management Code amendments.

Summary Recommendation
The Planning Department requests the City Council open a public hearing, review the possible Land Management Code amendments, and approve the Land Management Code (LMC) Amendment as referenced in this staff report.

Exhibits
Exhibit 1 – Draft Ordinance
   Exhibit A – LMC § 15-7-6 Master Planned Affordable Housing Development
   Exhibit B – LMC § 15-15 Defined Terms
Exhibit 2 – 1984 Land Management Code Chapter 11 Master Planned Moderate Income Housing Development (see page 73)
Exhibit 3 - Park City UT Housing Review
Exhibit 4 – April 5, 2018 City Council Work Session Staff Report
Exhibit 5 – April 5, 2018 City Council Work Session Minutes
Exhibit 6 – Resolution 03-2017 Affordable Housing Guidelines and Standards
Exhibit 7 – May 9, 2018 Planning Commission Staff Report
Exhibit 1 – Draft Ordinance

Ordinance No. 2018-21

AN ORDINANCE AMENDING THE LAND MANAGEMENT CODE OF PARK CITY, UTAH, AMENDING MASTER PLANNED AFFORDABLE HOUSING DEVELOPMENT, SECTION 15-6-7; AND DEFINED TERMS, SECTION 15-15.

WHEREAS, the Land Management Code was adopted by the City Council of Park City, Utah to promote the health, safety and welfare of the residents, visitors, and property owners of Park City; and

WHEREAS, the Land Management Code implements the goals, objectives and policies of the Park City General Plan to maintain the quality of life and experiences for its residents and visitors and to increase affordable housing opportunities and associated services for the workforce of Park City.; and

WHEREAS, the City reviews the Land Management Code on a regular basis and identifies necessary amendments to address planning and zoning issues that have come up; to address specific LMC issues raised by Staff, Planning Commission, and City Council; and to align the Code with the Council’s goals; and

WHEREAS, Park City has an interest in creating a diversity of primary housing opportunities to address the changing needs of residents and finds incentives for affordable housing developments essential to the City’s long term community well-being; and

WHEREAS, these proposed Land Management Code (LMC) amendments were reviewed for consistency with the recently adopted Park City General Plan.

WHEREAS, the Park City General Plan includes Goal 7 that states, “Create a diversity of primary housing opportunities to address the changing needs of residents.” Goal 8 states, “Increase affordable housing opportunities and associated services for the workforce of Park City.” and Community Planning Strategy 8.4 states “Update incentives for density bonuses for affordable housing developments to include moderate and mixed income housing.”

WHEREAS, Park City has an interest in developing and incentivizing private sector development of affordable housing within City Limits; and the purpose of the master planned Affordable Housing Development is to promote housing for a diversity of income groups by providing Dwelling Units for rent or for sale in a price range affordable by families in the low-to-moderate income range.

WHEREAS, the Planning Commission duly noticed and conducted public hearings at the regularly scheduled meeting on May 9, 2018 and forwarded a positive recommendation to City Council; and

WHEREAS, the City Council duly noticed and conducted a public hearing at its regularly scheduled meeting on May 17, 2018; and
WHEREAS, it is in the best interest of the residents and visitors of Park City, Utah to amend the Land Management Code to be consistent with the values and goals of the Park City General Plan and the Park City Council; to protect health and safety and maintain the quality of life for its residents and visitors; and to create a diversity of housing options for all income levels.

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

SECTION 1. APPROVAL OF AMENDMENTS TO TITLE 15 - Land Management Code Chapter 15-6-7 Master Planned Affordable Housing Developments. The recitals above are incorporated herein as findings of fact. Chapter 15-6-7 of the Land Management Code of Park City is hereby amended as redlined in Exhibit A.

SECTION 2. APPROVAL OF AMENDMENTS TO TITLE 15 - Land Management Code Chapter 15-15 Defined Terms. The recitals above are incorporated herein as findings of fact. Chapter 15-15 of the Land Management Code of Park City is hereby amended as redlined in Exhibit B.

SECTION 3. EFFECTIVE DATE. This Ordinance shall be effective upon publication.

PASSED AND ADOPTED this 17th day of May, 2018

PARK CITY MUNICIPAL CORPORATION

_________________________________
Andy Beerman, Mayor

Attest:

_________________________________
City Recorder

Approved as to form:

_________________________________
Mark Harrington, City Attorney

Exhibits
Exhibit A – LMC § 15-6-7 Master Planned Affordable Housing Development
Exhibit B – LMC § 15-15 Defined Terms
Exhibit A – LMC § 15-6-7 Master Planned Affordable Housing Development

15-6-7 MASTER PLANNED AFFORDABLE HOUSING DEVELOPMENT

A. PURPOSE. The purpose of the master planned Affordable Housing Development is to promote housing for a diversity of income groups by providing Dwelling Units for rent or for sale in a price range affordable by families in the low-to-moderate and Attainable income ranges. This may be achieved by encouraging the private sector to develop Affordable Housing. Master Planned Developments, which are one hundred fifty percent (150%) Affordable and/or Attainable Housing, as defined by the housing resolution in effect at the time of Application, would be considered for a Density incentive greater than that normally allowed under the applicable Zoning District and Master Planned Development regulations with the intent of encouraging quality Development of permanent rental and permanent Owner-occupied Affordable and/or Attainable housing stock for low and moderate income families within the Park City Area.

B. RENTAL OR SALES PROGRAM. If a Developer seeks to exercise the increased Density allowance incentive by providing an Affordable Housing project, the Developer must agree to follow the guidelines and restrictions set forth by the Housing Authority in the adopted Affordable Housing resolution in effect at the time of Application.

C. MIXED RENTAL AND OWNER/OCCUPANT PROJECTS. When projects are approved that comprise both rental and Owner/occupant Dwelling Units, the combination and phasing of the Development shall be specifically approved by the reviewing agency and become a condition of project approval. A permanent rental housing unit is one which is subject to a binding agreement with the Park City Housing Authority.

D. MPD REQUIREMENTS. All of the MPD requirements and findings of this section shall apply to Affordable Housing MPD projects.

E. DENSITY BONUS. The reviewing agency, Planning Commission, may increase the allowable Density to a maximum of twenty (20) Unit Equivalents per acre. Allocation of the increase in the allowable Density shall be subject to Density Bonus Tables X and Y and Planning Commission approval. The Density Bonus is calculated as the sum of Density Bonus Tables X and Y. The Unit Equivalent formula applies.

1. A minimum of fifty percent (50%) of a Density Bonus shall be Affordable Housing, as defined by the housing resolution at the time of Application.
2. A maximum of fifty percent (50%) of a Density Bonus may include market rate housing, except in preexisting approved Master Planned Developments and Planned Unit Developments. Density Bonus allocation shall not exceed a preexisting Master Planned Development Density approval for market rate units.
3. The Density Bonus shall not be awarded for any Affordable Units which are obligatory under the Housing Resolution.
4. Density Bonus Tables.
(a) **Percentage Affordable and/or Attainable** shall be calculated based on the percentage of total project area that is to be designated as Affordable For Sale Units and/or Affordable Rental Units, as defined by the Housing Resolution in effect at the time of application. Table X Percent of Affordable and/or Attainable Unit Factor shall be used to determine the Density Bonus allocated by the Planning Commission based on Percentage Affordable and/or Attainable of the total project area:

<table>
<thead>
<tr>
<th>Percentage Affordable and/or Attainable</th>
<th>50% - 60%</th>
<th>61% - 75%</th>
<th>76% - 85%</th>
<th>86% - 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density Bonus (Percentage of Base Zone Density)</td>
<td>50%</td>
<td>60%</td>
<td>80%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(b) **Area Median Income served** shall be calculated based on the average Area Median Income of all Affordable For Sale Units and Affordable Rental Units within the project area, as defined by the Housing Resolution in effect at the time of application. Area Median Income data shall be defined by the Unit size and Family Size, as defined in the Housing Resolution in effect at the time of application. Table Y Area Median Income Factor shall be used to determine the Density Bonus that may be awarded by the Planning Commission based on Average Area Median Income served:

<table>
<thead>
<tr>
<th>Average Area Median Income Served</th>
<th>≤ 59%</th>
<th>60% - 80%</th>
<th>81% - 100%</th>
<th>101% - 150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density Bonus (Percentage of Base Zone Density)</td>
<td>100%</td>
<td>80%</td>
<td>60%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**F. PARKING OFF-STREET PARKING.**

1. **The number of Off-Street Parking Spaces in each Master Planned Development shall not be less than the requirements of this code, except that the Planning Commission may increase or decrease the required number of Off-Street Parking Spaces based upon a parking analysis submitted by the Applicant at the time of MPD submittal. The parking analysis shall contain, at a minimum, the following information:**

   a. The proposed number of vehicles required by the occupants of the project based upon the proposed Use and occupancy.
   
   b. A parking comparison of projects of similar size with similar occupancy type to verify the demand for occupancy parking.
   
   c. Parking needs for non-dwelling Uses, including traffic attracted to Commercial Uses from Off-Site.
   
   d. An analysis of time periods of Use for each of the Uses in the project and opportunities for Shared Parking by different Uses. This shall be considered only when there is Guarantee by Use covenant and deed restriction.
   
   e. A plan to discourage the Use of motorized vehicles and encourage other forms of transportation.

   f. Provisions for overflow parking during peak periods.
The Planning Commission may grant an Off-Street Parking Exemption for a maximum of ten (10) Affordable and/or Attainable Units which have an area less than or equal to five hundred square feet (≤ 500 SF) based upon the parking analysis.

The Planning Department shall review the parking analysis and provide a recommendation to the Commission. The Commission shall make a finding during review of the affordable MPD as to whether or not the parking analysis supports a determination to increase or decrease the required number of Parking Spaces.

(2) The Planning Commission may permit an Applicant to pay an in-lieu parking fee in consideration for required on-site parking provided that the Planning Commission determines that:

(a) Payment in-lieu of the on-Site parking requirement will prevent a loss of significant open space, yard Area, and/or public amenities and gathering Areas;
(b) Payment in-lieu of the on-Site parking requirement will result in preservation and rehabilitation of significant Historic Structures or redevelopment of Structures and Sites;
(c) Payment in-lieu of the on-Site parking requirement will not result in an increase project Density or intensity of Use; and
(d) The project is located on a public transit route or is within three (3) blocks of a municipal bus stop.

The payment in-lieu fee for the required parking shall be subject to the provisions in the Park City Municipal Code Section 11-12-16 and the fee set forth in the current Fee Resolution, as amended.

G. OPEN SPACE. A minimum of fifty percent (50%) of the Parcel shall be retained or developed as open space. A reduction in the percentage of open space, to not less than forty percent (40%), may be granted upon a finding by the Planning Commission that additional on or Off-Site amenities, such as playgrounds, trails, recreation facilities, bus shelters, significant landscaping, or other amenities will be provided above any that are required. Project open space may be utilized for project amenities, such as tennis courts, Buildings not requiring a Building Permit, pathways, plazas, and similar Uses. Open space may not be utilized for Streets, roads, or Parking Areas.

H. RENTAL RESTRICTIONS. The provisions of the moderate income housing exception shall not prohibit the monthly rental of an individually owned unit. However, Nightly Rentals or timesharing shall not be permitted within Developments using this exception. Monthly rental of individually owned units shall comply with the guidelines and restrictions set forth by the Housing Authority as stated in the adopted Affordable Housing resolution in effect at the time of Application.

Adopted by Ord. 02-07 on 5/23/2002
Amended by Ord. 06-22 on 4/27/2006
Amended by Ord. 09-10 on 3/5/2009
15-15 DEFINED TERMS

ATTAINABLE HOUSING. Housing that is affordable to households with incomes between 101 and 150 percent of Area Median Income as defined by the housing resolution in effect at time of application.

Amended by Ord. 2016-44 on 9/15/2016