

**PARK CITY MEDICAL CENTER
MEDICAL CAMPUS
PHYSICIAN HOLDING LLC**

**HOUSING MITIGATION PLAN
PARK CITY HOUSING AUTHORITY**

JANUARY 2019

Background

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

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

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

The affordable housing obligation of 5.83 units for Lot 7 was assumed by Physician Holdings when they purchased that lot from Intermountain. During 2011, Physician Holding LLC developed an employee/affordable housing plan which was reviewed by staff. The staff review recommended that the Physician Holding affordable housing obligation, based on their actual development was 4.996 units.

The affordable housing obligation of 5.83 units for Lot 10 was assumed by Summit County when Lot 10 and its density were ground leased to Summit County for the Public Health/People's Health Building.

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

In February 2017, the Housing Authority approved the 1st amendment to Intermountain Healthcare's housing mitigation plan which approved an additional 4.0 units associated with Peace House, in exchange for a payment of \$816,000 by Intermountain to Peace House.

Intermountain has an obligation of 6.82 units of affordable housing remaining. This obligation is for the hospital density in the full build out phase of the approved MPD. Intermountain current estimates that this phase will be built between 2025 and 2035.

Intermountain also has a request with the Planning Commission for consideration of additional medical support density on the hospital campus. Any additional density, if approved, would generate additional affordable housing obligations for Intermountain.

Housing Mitigation Plan for Remaining Intermountain Obligation and Physician Holding LLC Obligation

Physician Holding LLC and Intermountain Healthcare have reached an agreement with Mark Fischer, Valley of Love, LLC and 1790 Bonanza, LLC to acquire the affordable housing units associated with the 1440 Empire Ave and the second floor of Rail Central building #3. If approved by the Housing Authority, Mark Fischer and the associated entities have agreed to Deed Restrict the relevant buildings so that they would become permanent affordable housing units within Park City.

As you may know, these buildings were designed by the Elliott Workgroup to be affordable housing units associated with the Bonanza Park development. Mr. Fischer no longer needs to hold these housing units since the City has purchased that property and acknowledged that he can separately attempt to sell these affordable housing units.

This proposal would permit the applicants to fulfill our affordable housing obligations with PCMC by working with Mr. Fischer and his associated entities.

Available Square Footage

1440 Empire	7,755
Rail Central	5,384
Total Available	13,139

Applicants' Obligations

	Required AUEs	Sq Ft Multiplier	Necessary Sq Ft
Physician Holdings	4.996	800	3,997
Intermountain	6.82	800	5,456
Available for Future	4.095	900	3,686
Total Square Feet			13,139

Requests for Housing Authority Approval

Physician Holding LLC and Intermountain Healthcare request that the Park City Housing Authority approve:

1. That the 1440 Empire and Rail Central Buildings be designated as affordable housing units.
2. That the existing Physician Holdings LLC obligation of 4.996 units will be fulfilled.
3. That the remaining Intermountain obligation from the annexation agreement and MPD approvals of 6.82 units will be fulfilled.
4. That if additional medical support density is approved by Park City, then 4.095 AUEs in these buildings will apply against the new affordable housing obligation that Intermountain will have due to the additional density.

Benefits of this Proposal

Physician Holdings LLC and Intermountain believe this proposal has several features that benefits all parties.

1. Existing buildings will become deed restricted, creating permanent affordable housing with Park City.
2. This proposal creates real additional units.
3. No current residents would be displaced by this proposal.
4. This proposal creates a precedent of an applicant (Intermountain) working with the city to provide real affordable housing units, in conjunction with a request to the city for approval of additional development rights.