

1 **XX-2020 Affordable Housing**

2 **RESOLUTION ADOPTING AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR**
3 **PARK CITY, UTAH**

4 WHEREAS, the livability and viability of Park City is directly affected by the availability of a
5 sufficient amount of housing affordable to ~~all~~ the workforce and residents; and

6 WHEREAS, the City Council desires to establish policies to ensure a reasonable opportunity for
7 a variety of housing and which bears an essential nexus to maintaining the social, economic,
8 and ~~political~~ cultural fabric of the community; and

9 WHEREAS, the ~~2016 Park City Housing Needs Assessment~~ 2019 Regional Housing Needs
10 Assessment concluded that housing costs continue to outpace wages in the service sector
11 areas of the resort-based economy and has resulted in making housing unaffordable to working
12 residents of the City; and

13 WHEREAS, the ~~2016 Park City Housing Needs Assessment~~ 2019 Regional Housing Needs
14 Assessment projects that the Leisure and Hospitality employment sector will continue to drive
15 the demand for additional workforce housing in Park City; and

16 WHEREAS, it is in the best interest of the community and a legitimate government interest to
17 formulate guidelines and standards to establish a consistent criteria for review of Master
18 Planned Development applications and annexation petitions where affordable housing is
19 needed to mitigate the impact of the project on the community; and

20 WHEREAS, the cost of providing affordable housing should be equitably apportioned, based on
21 impact generation, growth inducement, and the underlying goal to provide a diversity of housing
22 types and prices in the community, in order to maintain a healthy economy and diverse
23 population.

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

25 **SECTION 1. ADOPTED HOUSING STANDARDS AND GUIDELINES.** The following housing
26 standards and guidelines are hereby adopted. Unless otherwise defined separately herein, all
27 words and terms shall have the same meaning as defined in the Land Management Code, as
28 amended.

29 **SECTION 2. APPLICABILITY.** These standards shall apply to all new Housing and
30 Commercial Development created under Title 15, Chapter 6 *Master Planned Developments*,
31 and Title 15, Chapter 8 *Annexation*, of the Park City Land Management Code. These standards
32 shall apply to prior agreements on density or configuration unless specifically addressed within
33 Development Agreements.

34 **SECTION 3. PURPOSE.** The purpose of this Resolution is to ensure that new development
35 does not adversely affect the supply of affordable housing in the City and to maintain the social,
36 economic, and ~~political~~ cultural fabric of Park City's community character. It is intended that the
37 requirements imposed herein are roughly proportionate and reasonably related to the impacts of
38 the Development.

39 **SECTION 4. REVIEW.** This Resolution shall be reviewed by the City Council at least biennially
40 to ensure that these standards are meeting the housing goals and objectives.

41 **SECTION 5. DEFINITIONS.**

42 A. Affordable Housing: Housing that is priced affordable to households with incomes at or
43 below 100% of AMI. ~~Based on local wages, Park City defines affordable housing as those~~
44 ~~units affordable to households with incomes at or below 100 percent of AMI.~~

45 B. Affordable Housing Cost: Monthly housing costs that consume no more than 30 percent of
46 a household's income. Housing costs include rent or mortgage, basic utilities, and/or
47 Homeowners/Condo Association Dues.

48 **C. Affordable Housing Unit or Housing Unit:** Dwelling units that are deed restricted to the
49 housing size and type for individuals meeting occupancy guidelines approved by the Park
50 City Council.

51 **D. Affordable Unit Equivalent (AUE):** A two-bedroom unit with 900 square feet of Net Livable
52 Space shall be considered one Affordable Unit Equivalent.

53 **E. Alter or Alteration:** Alter or alteration means any change, addition, or modification in
54 construction or occupancy.

55 **F. Annual Compliance Report:** A report, as amended from time to time by the City or its
56 designee, required to be provided to the City by each Unit Owner yearly to certify
57 compliance with deed restrictions on a unit.

58 **G. Applicant:** A Household that has submitted the required application either for qualification
59 as a Buyer or for placement on the Ownership Waiting List, as the context requires.

60 **H. Assets:**

- 61 1. **Assets:** Anything owned by an individual that has commercial or exchange value.
62 Assets consist of specific property or claims against others, in contrast to obligations
63 due others.
- 64 2. **Gross Assets:** Anything which has tangible or intangible value, including property of
65 all kinds, both real and personal; includes among other things, patents and causes of
66 action which belong to any person, as well as any stock in a corporation and any
67 interest in the estate of a decedent; also, the entire property of a person, association,
68 corporation, or estate that is applicable or subject to the payment of debts. Gross
69 Assets shall include funds or property held in a living trust or any similar entity or
70 interest, where the person has management rights or the ability to apply the assets
71 to the payment of debts. Assets are evaluated at current fair market value, not
72 accounting book value.

- 73 3. Household Gross Assets: Combined Gross Assets of the Household.
- 74 4. Household Net Assets: Gross Household Assets less Gross Household Liabilities.
- 75 5. Net Assets: Gross Assets minus liabilities. Retirement accounts will be reviewed on
- 76 a case-by-case basis to determine whether or not they shall be included as a net
- 77 asset.

78 I. Area Median Income (AMI): Area Median Income is a calculation of annual household

79 income determined by the US Department of Housing and Urban Development (HUD). ~~that~~

80 ~~categories income levels as: extremely low income <=30 percent of AMI; very low income =~~

81 ~~31 to 50 percent of AMI; low income = 51-80 percent of AMI; and moderate income = 81 to~~

82 ~~100 percent of AMI. Based on local wages, Park City defines affordable housing as those~~

83 ~~units affordable to households with incomes at or below 100 percent of AMI.~~

84 J. Attainable Housing: Housing that is priced affordable to households with incomes

85 between 101 and 150 percent of AMI.

86 K. Bedroom: Designed to be used for sleeping purposes and which contains closets and

87 meets all applicable City Building Code requirements for light, ventilation, sanitation, and

88 egress.

89 L. Buyer: A person who is buying or has purchased a Housing Unit.

90 M. Capital Improvements: Material improvements or structural changes to a Unit that are

91 more than repairs or cosmetic changes, including changes that would adapt a Unit to a new

92 or different use or materially affect the value or use of the Unit and including, but not limited

93 to all Permitted Capital Improvements.

94 N. City Code: The Municipal Code of Park City, Utah, as amended.

95 O. Commercial Property: Property which is used for any commercial uses as defined by the

96 Park City Land Management Code.

- 97 P. **Co-signer:** A joint signatory of a promissory note whose obligations are the same as those
98 of the primary borrower. If the primary borrower does not repay the loan, the co-signer
99 accepts responsibility for the debt.
- 100 Q. **Deed Restriction:** A contract entered into between Park City Municipal Corporation and the
101 owner or purchaser of real property identifying the conditions for occupancy and resale.
- 102 R. **Dependent:** A minor child (18 years or younger) or other person related by blood or
103 adoption to a Tenant or Owner of a Housing Unit declared as a dependent for federal
104 income tax purposes by such Tenant or Owner, or by Tenant's or Owner's present or former
105 spouse.
- 106 S. **Designee:** A person or entity who is named and authorized to act in place of the person or
107 entity granting the designation.
- 108 T. **Developed Residential Property:** Property that contains at least one (1) dwelling unit as
109 defined in the Park City Land Management Code.
- 110 U. **Disability:** A physical or mental impairment that substantially limits one or more of a
111 person's major life activities, including a person having a record of such an impairment or
112 being regarded as having such an impairment.
- 113 V. **Domicile:** The place where an individual has a fixed permanent home and principal
114 establishment to which the individual, if absent, intends to return and in which the individual
115 and/or his or her family voluntarily reside not for a special or temporary purpose but with the
116 intention of making a permanent home for a minimum of nine (9) months out of each
117 calendar year.
- 118 W. **Down Payment:** The initial payment one makes to establish debt or otherwise paid in
119 installments. Buyer may convert personal assets held for two (2) years or greater to cash for
120 use as a Down Payment without said cash considered Income for purposes of Qualification.
121 Additionally, a one-time gift of up to 30% of the Original Purchase Price used exclusively as

122 a down payment for the purchase of a Housing Unit may be considered as a net asset and
123 not as earned income for the purposes of initial qualification.

124 X. **Financial Statement:** A statement detailing all personal assets, liabilities, and net assets
125 (the difference between gross assets and liabilities) as of a specific date.

126 Y. **Fixture:** 1) A tangible thing which previously was personal property and which has been
127 attached to or installed on land or a structure thereon in such a way as to become a part of
128 the real property; 2) Any non-portable lighting device built in or attached securely to the
129 structure; 3) The permanent parts of a plumbing system and fixtures.

130 Z. **Household:** ~~All related and unrelated individuals occupying a unit.~~ All individuals that are or
131 will be occupying a unit regardless of legal status. ~~A single individual, doing his/her their own~~
132 ~~cooking and living upon the premises as a separate housekeeping unit, or a collective body~~
133 ~~of persons doing their own cooking and living together upon the premises as a separate~~
134 ~~housekeeping unit in a domestic relationship based upon birth, marriage or other domestic~~
135 ~~bond as distinguished from a group occupying a boarding house, lodging house, club,~~
136 ~~fraternity, or hotel.~~

137 AA. **Housing costs:** Rent plus basic utilities or mortgage, tax, insurance, basic utilities and/or
138 Homeowners Association payments – that consume no more than 30 percent of a
139 household's income.

140 BB. **Housing Unit:** See Affordable Housing Unit.

141 CC. **Household Income:** Combined income of all individuals who are or will be occupying the
142 unit regardless of legal status. Adjustments to the gross for business expenses can be made
143 for persons who are self-employed.

144 DD. **Immediate Family:** Husband or wife, siblings, parents and/or offspring, either biologically,
145 by marriage, civil union, or by legal adoption, regardless of age.

146 **EE. Income:**

147 1. **Earned Income:**

- 148 a. Income derived from one's own labor or through active participation in a
149 business and including retirement funds, Social Security benefits, alimony,
150 and child support; and
- 151 b. Net income derived from a business or from income-producing property, after
152 reasonable deductions for expenses, depreciation, taxes, and similar
153 allowances.
- 154 c. Retirement and/or pension income for Qualified Elderly, regardless of origin,
155 is considered earned within the Park City School District boundaries.

156 2. **Household Income:** Combined Gross Income of all individuals in the Household.

157 **FF. Initial Sale Price:** The Original Purchase Price [OPP] of that Housing Unit at the time the
158 original Deed Restriction for the Housing Unit is executed and recorded.

159 **GG. Land:** All land or water surfaces, whether public or private, including lots, parcels, or
160 other ownership categories and all rights (including potentially but not limited to: surface,
161 subsurface, or air) that may be attached or detached from the land.

162 **HH. Lease:** A written agreement between an Owner and a tenant Household that creates a
163 Leasehold Interest.

164 **II. Maximum Rental Rate:** The total amount per month according to Section 20 that a
165 Qualified Owner is allowed to charge to a Household in leasing a Housing Unit.

166 **JJ. Maximum Resale Value:** The price above which a Unit may not be Sold as calculated by
167 the City, its designated agent, department, or assign, using the formula set forth in Section
168 10.

169 **KK. Net Livable Square Footage:** ~~Is~~ Calculated on interior living area and ~~is~~ measured interior
170 wall to interior wall, including all interior partitions. Also included, but not limited to, habitable

171 basements and interior storage areas, closets, and laundry areas. Exclusions include, but
172 are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells,
173 garages (either attached or detached), patios, decks, and porches.

174 LL. **Net Worth:** The amount of total assets of the individuals or family that exceed total liabilities,
175 as determined by the City.

176 MM. **Non-qualified Buyer:** A buyer of a Unit that is not a Qualified Buyer.

177 NN. **Non-qualified Buyer Tenant:** A tenant of a Unit/Space that is not a Qualified Tenant.

178 OO. **Option to Purchase:** A legal document signed by the Mortgagee, acknowledging the
179 provisions of the Deed Restriction and granting a right to the PCMC or to the Park City Housing
180 Authority to purchase the Housing Unit in a foreclosure under certain conditions.

181 PP. **Owner-Occupied:** A Unit that is occupied by the Unit Owner as the Unit Owner's Primary
182 Residence.

183 QQ. **Park City School District Boundaries:** The latest school district boundaries as duly
184 adopted and as reflected on the most current mapping issued by the Utah State Automated
185 Geographic Reference Center school district map.

186 RR. **PCMC:** Park City Municipal Corporation. As used in this Resolution, PCMC may also mean
187 the Board of Directors of the Park City Housing Authority, or PCMC Staff as the context
188 requires.

189 SS. **PCMC Board:** The Board of Directors of the Park City Housing Authority.

190 TT. **PCMC Staff:** The person or persons who Park City Municipal or the Park Housing Authority
191 employs for the purpose of administering this Housing Resolution.

192 UU. **Permitted Capital Improvements:** Capital Improvements made by a Unit Owner to the Unit
193 Owner's Unit with the prior written consent of the City; are completed with all necessary
194 building permits, including final inspections required by such permits, and deemed

195 completed by the City building department; and that may increase the Maximum Resale
196 Value subject to Section 10.

197 VV. **Primary Residence:** The place where Domicile has been established as the sole and
198 exclusive place of residence.

199 WW. **Property:** Includes all real estate of any kind, developed or undeveloped, including but
200 not limited to land, commercial property, investment property, and residential property.

201 XX. **Qualifications:** The minimum standards of employment, residency and/or net assets that
202 are applied to a Qualified Household according to Section 16 as well as any additional
203 qualifications under a particular Housing Program.

204 YY. **Qualified Buyer:** Qualified Buyer shall be a person or persons who are determined by the
205 City to meet the criteria defined Section 16.

206 ZZ. **Qualified Tenant:** Qualified Tenant shall be a person or persons who are determined by the
207 City to meet the criteria defined Section 20.

208 AAA. **Residential Unit Equivalent:** In accordance with the Park City Land Management
209 Code, Title 15, Section 6-8 *Unit Equivalents*, one Residential Unit Equivalent (RUE) is equal
210 to 2,000 square feet of Multi-Family Dwelling floor area or one single family lot.

211 BBB. **Sale:** For purposes of this Resolution, a sale is the exchange of a Housing Unit for an
212 agreed amount of money not to exceed the Maximum Resale Prices in a single transaction
213 in which title to the Housing Unit is transferred to a new Qualified Household.

214 CCC. **Senior:** A person who is over the age of 65.

215 DDD. **Storage Space:** Space intended and commonly utilized as location for preservation or
216 later use or disposal of items.

217 ~~**Studio Unit:** Living quarters designed around a relatively large single room incorporating~~
218 ~~features of a living room, bedroom, dining room/kitchen and bathroom.~~

219 **EEE. Target Income:** The specific household income to be served by affordable or attainable
220 units which is determined by PCMC based on current need at the time units are put in
221 service.

222 **FFF. Tenant:** A person who has the temporary use and occupation of real property owned by
223 another subject to this Resolution.

224 **GGG. Volunteer Community Service:** Work which is performed for recognized non-profit
225 community organizations for which no monetary or other material compensation is received.

226
227 **SECTION 6. EXEMPTIONS.** The development of affordable housing units ~~as defined by the~~
228 ~~Land Management Code is~~ that are not part of any housing obligations resulting from a Master
229 Planned Development or an Annexation Agreement are exempt from the requirements of this
230 Resolution. This may also include projects developed by or sponsored by nonprofit
231 organizations and or projects for which agreements have been executed that provided
232 affordable housing or land for said purpose.

233 **SECTION 7. FEE WAIVERS.** Title 11, Chapters 12 and 13 of the Municipal Code provides that
234 “any part of the fees included in this Title may be waived by the City Council upon
235 recommendation of the City Manager, for those projects which are deemed to serve a beneficial
236 public purpose that would be harmed by the City requiring the payment of such fees, such as
237 low income housing projects.” Pursuant to Title 11, Chapter 13-4(A) of the Municipal Code, the
238 City Council ~~can~~ may waive impact fees for construction of affordable housing.

239 Affordable housing projects that ~~are in fulfillment of~~ fulfill housing obligations resulting from
240 ~~development agreements in Annexations or MPDs~~ Master Planned Developments and/or
241 Annexations are not eligible for fee waivers.

242 **SECTION 8. CALCULATION OF MINIMUM AFFORDABLE HOUSING REQUIREMENTS**

243 **A. Residential Development.**

244 For projects where units are offered for sale or rent, the Developer shall provide affordable
245 housing units in an amount equal to ~~fifteen percent (15%)~~ twenty percent (20%) of the total
246 ~~residential units constructed.~~ RUEs in the project. Affordable Housing Units developed on-site in
247 fulfillment of this requirement are not included in the density calculation for the project.

248 **RESIDENTIAL GENERATION CALCULATION EXAMPLE**

249 An Applicant has received approval for a 128 unit Master Planned Development. The units are
250 of varying sizes totaling 328,000 square feet which equals 164 RUEs.

251 1. ~~128 units~~ 164 RUEs (total units approved) multiplied by ~~.15~~ .20 (residential mitigation
252 rate) equals ~~19.2~~ 32.8 Affordable Unit Equivalentents (AUEs).

253 2. One ~~Affordable Unit Equivalent~~ AUE equals 900 square feet of net livable space.

254 3. The total approved units for this ~~MPD~~ Master Planned Development is 128 market rate
255 units plus ~~19.2~~ 32.8 AUEs equaling ~~17,280~~ 29,520 total net square feet of additional
256 livable space.

257 **B. Commercial Development**

258 The Developer shall be required to mitigate 20 percent of the employees generated. For
259 projects with a commercial component, the minimum affordable housing requirements shall be
260 determined according to the following formulas:

261 **Table 1: Employee Generation by Type of Use.**

Type of Use	Full Time Equivalentents (2080 hours) per 1,000 net leasable square feet
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Type of Use	Full Time Equivalents (2080 hours) per 1,000 net leasable square feet
Restaurant/Bar	6.5
Education	2.3
Finance/Banking	3.3
Medical Professional	2.9
Other professional services	3.7
Personal services	1.3
Real Estate/Property management	5.9
Commercial/Retail	3.3
Recreation/amusements	5.3
Utilities	2.9
Lodging/hotel	0.6/room
Condominium Hotel	Greater of lodging/hotel calculation or residential mitigation rate
Overall/General	4.4

262 The Overall/General Type of Use shall apply to any use not listed in the Employee Generation

263 Table if an Independent Calculation is not performed.

264 **EMPLOYEE GENERATION CALCULATION EXAMPLE**

265 An application for a Master Planned Development of 20,000 square feet of commercial space

266 and 100 hotel rooms has been submitted. The commercial uses include:

- 267 • 10,000 square feet of retail space

- 268 • 5,000 square feet of restaurant/bar space
- 269 • 5,000 square feet of professional services
- 270 ~~4.~~ Using the above Employee Generation Table, the project will generate 144 employees.
- 271 ~~2.~~ 1. *Retail* at 3.3 employees per 1,000 square feet equals 33 employees
- 272 ~~3.~~ 2. *Restaurant/Bar* at 6.5 employees per 1,000 square feet equals 32.5 employees
- 273 ~~4.~~ 3. *Professional Services* at 3.7 employees per 1,000 square feet equals 18.5 employees
- 274 ~~5.~~ 4. *Hotel* at .6 employees per unit equals 60 employees.
- 275 ~~6.~~ 144 (total number of employees) multiplied by .20 (mitigation rate) equals 28.8 employees.
- 276 ~~7.~~ 28.8 employees divided by 1.5 (workers per household) equals 19.2 employee unit
- 277 equivalents required.
- 278 ~~8.~~ The Developer is required to provide 19.2 Affordable Unit Equivalents or a total of 17,280 net
- 279 square feet of livable space in addition to approved commercial and hotel density.

280

281 **C. Reduction of Employee Generation for Institutional/Nonprofit Use.** The City Council

282 may reduce the base employee generation rate by up to fifty percent for uses that are “non-

283 commercial or non-residential in nature, which provide educational, social or related services to

284 the community and which are proposed by public agencies, nonprofit agencies, foundations and

285 other similar organizations” upon finding that the benefits/impacts of such Development as they

286 relate to ~~other general plan goals and/or action items~~ the City Council’s Critical Priorities and/or

287 General Plan goals outweigh the housing impacts.

288 **D. Independent Calculation.** An applicant may submit an independent calculation of the

289 number of employees to be generated by a proposed development, to be used in place of the

290 Employee Generation Table. The independent calculation ~~shall be accepted by the City Council~~

291 must be described in detail as to formulas used and the basis for those formulas. The City

292 Council may choose to accept the independent calculation if the Council determines the

293 calculation constitutes compelling evidence of a more accurate calculation of employee
294 generation than Table 1: Employee Generation Table. Should the independent calculation not
295 be accepted, then the applicable employee generation factor from the Employee Generation
296 Table shall be applied to the proposed Development. Any acceptance of an Independent
297 Calculation shall be site and use specific, non-transferable and be memorialized in a
298 Development Agreement between the ~~property owner~~ developer and the City. Such Agreement
299 shall be executed prior to the issuance of any building permit.

300 **E. Redevelopment: Additions and Conversions of Use.** Redevelopment or remodeling ~~in an~~
301 ~~existing use or the change in use from one use to another is exempt from the requirements of~~
302 ~~this Resolution, provided such activity does not create additional employment generation as~~
303 ~~determined in Table 1: Employee Generation by Type of Use. Only the uses and areas that~~
304 ~~existed prior to the redevelopment or remodeling shall be exempt from the requirements of this~~
305 ~~Resolution. Any new area or unit or any change in use which creates additional Employee~~
306 ~~Generation as determined in Table 1: Employee Generation by Type of Use shall be subject to~~
307 ~~the provisions of this Resolution. Mitigation shall be required for the employees generated by~~
308 ~~the proposed total square footage (including addition) minus the employment generation of the~~
309 ~~total structure. If the developer converts one land use to another with higher employment~~
310 ~~generation rates, the mitigation will be based on the increase in FTEs. of an existing structure or~~
311 ~~a change in use that results in additional employee generation shall require additional housing~~
312 ~~mitigation. In order for this Section to apply, the original structure and use must have resulted~~
313 ~~from an approved Master Planned Development or Annexation Agreement. Any new area or~~
314 ~~unit or any change in use or amendment to an existing approved Master Planned Development~~
315 ~~which creates additional Employee Generation as determined in Table 1: Employee Generation~~
316 ~~by Type of Use shall be subject to a recalculation of housing obligation. Mitigation shall be~~
317 ~~required for the employees generated by the proposed total square footage (including addition)~~

318 minus the original employment generation prior to the change. ~~For example,~~ Example 1: a
319 conversion of a 1,000 sq. ft. retail establishment with an employee generation rate of 3.3 FTEs
320 per 1,000 square feet to a private club with a generation rate of 6.5 FTEs per 1,000 square feet
321 results in a net increase in 3.2 FTEs and would require additional mitigation. Example 2: a bar-
322 restaurant expands their space by expanding the building into back parking area, adding 1,000
323 square feet which is a net increase of 6.5 FTEs and would require additional mitigation.

324 **F. Final Unit Requirement Calculations.** The final calculations for the number of inclusionary
325 affordable units and the rental or sales price for these units shall be made by staff utilizing the
326 calculation formulas in Section 8 and Section 20 of this Housing Resolution. All calculations are
327 subject to approval by the Park City Housing Authority prior to the issuance of building permits
328 for the covered project.

329 **SECTION 9. METHODS OF HOUSING REQUIREMENT COMPLIANCE TO FULFILL**
330 **HOUSING OBLIGATIONS**

331 **A. Methods of Meeting Minimum Requirements. [FORMERLY SECTION 9.G]**

332 The following methods, in order of priority, may be used to meet the minimum affordable
333 housing mitigation requirements.

- 334 1. **Construction of unit(s) on the site on which the development is**
335 **proposed.** Affordable housing units shall be constructed on the project site, unless the
336 developer can demonstrate compelling evidence that an alternative method would result in a
337 better design, enhanced level of affordability or that the construction on-site would adversely
338 affect the design of the project.
- 339 2. **Construction of the unit(s) within the Park City corporate limits provided such**
340 **land, site or structure had not been previously deed-restricted for affordability.**

341 **3. Dedication of existing units within Park City corporate limits provided such units**
342 **have not been previously deed-restricted for affordability.** ~~Units must be of equivalent~~
343 ~~value, quality and size of the deed restricted units that would have been constructed on-site.~~
344 ~~Existing units must be in move-in condition with appliances, windows, heating, plumbing,~~
345 ~~electrical systems, fixtures and equipment in good working condition. The value of dedicated~~
346 ~~existing units will be determined, at the expense of the developer, or by such alternative~~
347 ~~means of valuation as to which a developer and the City may agree. All units shall be~~
348 ~~inspected and shall meet applicable Park City building codes. Applicant shall bear the costs~~
349 ~~and expenses of any required upgrades to meet the above standards as well as any reports~~
350 ~~required to assess the suitability for occupancy and compliance with the standards of the~~
351 ~~proposed units. All appliances and products including light bulbs shall be Energy Star~~
352 ~~qualified products.~~ Developers may deed restrict units by purchasing an open-market unit,
353 placing a Deed Restriction on that unit, and renting or reselling the unit to a Qualified
354 Household.

355 It is the developer's responsibility to demonstrate approval by the homeowners association
356 for the open-market unit proposed for deed restriction, including any limitations on the
357 homeowners association dues for the Housing Unit.

358 It is the developer's responsibility to demonstrate approval by the jurisdiction in which the
359 proposed unit is located for any unit proposed to be deed restricted to provide Affordable
360 Housing, including approval of the provisions of the deed restriction.

361 Units so deed restricted are subject to all size and construction standards and notes, except
362 that PCMC may consider an exception to the size standards on a case-by-case basis. An
363 exception to the size standards shall not be greater than 100 square feet from the minimum
364 or maximum allowable square footage per Section 9.C. A developer may request this

365 exception in its Housing Mitigation Plan, or may apply for such exception as an amendment
366 to the Housing Mitigation Plan.

367 Any existing unit which is to be deed restricted must be in a good state of repair and
368 condition. Acceptance of existing units shall be at the sole discretion of the Park City
369 Housing Authority. If accepted by the Park City Housing Authority, existing units must meet
370 the following criteria, unless a variance from these requirements is approved by the Park
371 City Housing Authority:

- 372 a. Units must be freshly painted in the interior, and exterior walls shall be freshly
373 painted within one year of approval;
- 374 b. All appliances must be in good condition and working order;
- 375 c. Yards and landscaping, windows, heating, plumbing, and electrical systems and
376 equipment shall be in good condition and working order;
- 377 d. Units must meet the Energy Efficiency requirements set out in Section 9.F below.
- 378 e. The roof must have a remaining useful life of at least ten (10) years and Units shall
379 meet applicable building codes in effect at the time, pursuant to inspection and
380 approval by a qualified Building Inspector accepted by PCMC.
- 381 f. The Applicant shall bear the costs and expenses of any required upgrades as well as
382 any structural/engineering reports required by PCMC to assess the suitability for
383 occupancy and compliance with required standards.
- 384 g. In order to complete an inspection and to receive approval for deed restricting an
385 existing unit, the Developer may be required to pay an Inspection Fee to PCMC,
386 which is not refundable.

387 **4. Construction of units outside Park City, but within the Park City School District**
388 **boundary as it stands on January 1, 2015.**

389 **5. Conveyance of land within the Park City School District boundary as it stands on**
390 **January 1, 2015 provided such land has not been previously deed-restricted for**
391 **affordability.** The developer may elect to (a) convey land to the City or its designee that is
392 of equivalent value to the cash in lieu contributions required under this Resolution, plus an
393 additional 25 percent to cover costs associated with holding, developing, improving, or
394 conveying such land; or (b) convey land to the City or its designee that is of equivalent value
395 (as of the date of conveyance) to that land upon which required units would otherwise have
396 been constructed and properly zoned such as to allow construction of at least that number
397 of units for which the obligation of construction is being satisfied by the dedication of the
398 land. Land conveyance shall occur prior to the issuance of any building permit for the free
399 market portion of the development. Should the City Council later elect to sell the land, all
400 proceeds from the sale of the land shall be placed in a dedicated housing fund.

401 **6. Payment of Fees in Lieu of Development.** If the Park City Housing Authority
402 determines that (1) no other alternative is feasible, or (2) such a payment would result in
403 more immediate development of housing or (3) such a payment would leverage additional
404 resources, then a Payment of Fees in Lieu of Development may be accepted. The collected
405 funds may only be expended for projects located within the corporate limits of Park City or
406 within the Park City School District boundary as it stands on January 1, 2015. The In Lieu
407 Fee shall be based on the actual cost of construction in the prior year and published
408 annually in June on the City's affordable housing webpage. Updates may occur more
409 frequently at the request of the City Council to reflect changing real estate conditions. Any
410 Fees in Lieu collected and any interest accrued shall be used only for the purpose of
411 planning for, subsidizing, or developing affordable ~~and employee~~ housing.

412 **AB. Unit Types:** The distribution of dwelling unit types that meet the deed restricted affordable
413 unit requirements of this section shall be as follows:

- 414 1. Single-Family: In developments where only single-family detached dwelling units are
 415 being produced, the required on-site Affordable Unit Equivalents shall also be single-
 416 family detached dwelling units.
- 417 2. Multi-Family: In developments where only multi-family buildings are being produced, the
 418 required on-site Affordable Unit Equivalents shall also be within the multi-family building
 419 or buildings.
- 420 3. Mixed: In developments where there is a mix of dwelling unit types such as: detached
 421 single-family, townhomes, duplexes or attached single-family, or multi-family
 422 condominium or apartment buildings, or other types of units, the required on-site
 423 Affordable Unit Equivalents shall also be a mix in the same proportion as the market rate
 424 dwelling units.
- 425 4. Alternative Distribution Ratios: Different unit distribution among the Affordable Unit
 426 Equivalents may be permitted by the Park City Housing Authority on a case-by-case
 427 basis if doing so would accomplish additional benefits or result in a better design than
 428 not using the distribution of units provided for in this section.

429 **B-C. Minimum Square Footage Standards:** In order to assure livability, the standard net
 430 livable square footage for affordable units shall be as follows:

UNIT TYPE	MINIMUM SQUARE FEET	MAXIMUM SQUARE FEET
Dormitory	150	250
Single Room Occupancy	275 <u>200</u>	350
Studio	400 <u>350</u>	600
1 Bedroom	650 <u>600</u>	800
2 Bedroom	900 <u>800</u>	1,100
3 Bedroom	1,450 <u>1,100</u>	1,300
4 Bedroom	1,400 <u>1300</u>	1,600

431

- 432 1. Minimum square footage is the actual minimum square footage allowed to be
433 constructed or otherwise provided under the provisions of the Park City Land
434 Management Code. Maximum square footage is the maximum amount of square
435 footage which may be credited against the required square footage for a given unit type,
436 regardless of the actual size of the unit provided. For projects which have Affordable
437 Housing comprised of single family, duplex, or triplex structures, Park City Housing
438 Authority may, at its sole discretion, approve increases to Maximum Square Footage for
439 each Unit Type up to twenty five (25) square feet per bedroom if it is demonstrated and
440 the Park City Housing Authority finds the variance will benefit the overall affordable
441 housing program.
- 442 2. All newly constructed deed restricted Affordable Housing Units must comply with the
443 applicable building codes in effect in Park City and with all rules, regulations and codes
444 of all governmental bodies and agencies having jurisdiction.
- 445 3. All deed restricted Affordable Housing Units must have a fully equipped kitchen (Sink,
446 Refrigerator, Stove Top, Microwave) and a full bathroom (Sink, Shower/Tub, and toilet),
447 areas for living and sleeping and designated areas for storage. Areas designated for
448 sleeping and/or bedrooms shall be a minimum of 100 square feet, with a minimum width
449 dimension of 10 feet. PCMC shall be the final judge of the adequacy of facilities provided
450 in the unit.
- 451 4. Any deviation from these standards shall be approved by Park City Housing Authority as
452 part of the applicable Affordable Housing Mitigation Plan. The Building Department prior
453 to the issuance of any building permits for either the free market or employee housing
454 component of the project must verify square footage. The Building Department may
455 check the actual construction of the Affordable Unit Equivalents.

456 **CD. Winter Seasonal Units.** Pursuant to the applicable City codes, an applicant for a
457 development may, at the sole discretion of the City and subject to certain requirements, satisfy
458 the employee housing requirements by provision of dormitory/lodge units designed for
459 occupancy by seasonal employees. The dormitory/lodge units must satisfy all requirements of
460 the applicable Guidelines and shall be required to meet the following minimum standards:

- 461 1. Occupancy of a dormitory unit shall be limited to no more than 8 persons.
- 462 2. There shall be at least 150 square feet of net livable square footage per person,
463 ~~including sleeping and bathroom uses.~~
- 464 3. At least one bathroom shall be provided for shared use by no more than four
465 persons. The bathroom shall contain at least one toilet, one wash basin, one bathtub
466 with a shower and a total area of at least 60 ~~net livable~~ square feet.
- 467 4. A kitchen facility or access to a common kitchen or common eating facility shall be
468 provided subject to the Building Department's approval and determination that the
469 facilities are adequate in size to service the number of people using the facility.
- 470 5. Use of 20 net leasable square feet per person of enclosed storage area located
471 within, or adjacent to, the unit.
- 472 6. Rents for dormitory units will be set approved by ~~Special Review on a case-by-case~~
473 ~~basis, given the unique and varying characteristics of dormitory units, with~~
474 ~~affordability as the key issue~~ the Park City Housing Authority in conjunction with
475 approval of the Housing Mitigation Plan.
- 476 7. Seasonal Lodge Developments may be required to house qualified employees of the
477 community at large.

478 **D-E. Special Needs Emergency/Transitional Housing.** Pursuant to the applicable City codes,
479 an applicant for a development may, at the sole discretion of the City and subject to certain
480 requirements, satisfy a portion of its employee housing requirements by provision of special
481 needs emergency/transitional housing units through either direct construction, land donation or

482 the donation of existing units. There must be a quantified, demonstrated need for the
483 emergency/transitional housing within the Park City boundaries. The housing must be
484 developed in collaboration with a federally recognized, 501(c)(3) nonprofit organization. The
485 housing must ~~satisfy all requirements of the applicable Housing Guidelines and Standards as~~
486 ~~well as~~ comply with all applicable local, state and federal requirements. Given the unique and
487 varying characteristics of the population to be served, the rents for emergency/transitional
488 housing must be approved in advance by the ~~City Council~~ Park City Housing Authority.

489 **EF. Minimum Green Building Requirements.** ~~All new construction or substantial rehabilitation~~
490 ~~projects developed in fulfillment of the affordable housing obligations must demonstrate that it~~
491 ~~meets the NAHB Green Standards or a LEED Certification level.~~ All appliances and products
492 including light bulbs shall be Energy Star qualified products for all new construction or
493 substantial rehabilitation. Development is encouraged to meet Park City Resolution 28-2017,
494 Net Zero Energy Performance Requirements.

495 **FG. Affordable Unit Amenities.** ~~Inclusionary Affordable~~ units may differ from the market units
496 with regard to interior amenities and gross floor area provided that:

- 497 1. These differences, excluding differences related to size differentials, are not apparent in
498 the general exterior appearances of the project's units; ~~and~~
- 499 2. These differences do not include insulation, windows, heating systems, and other
500 improvements related to the energy efficiency of the project's units.; ~~and~~
- 501 3. The gross floor area of the ~~inclusionary affordable~~ units is not less than the minimum
502 requirements listed in Section ~~9.B 9.C~~ above, unless waived by the City.

503 ~~G. Methods of Meeting Minimum Requirements.~~

504 ~~The following methods, in order of priority, may be used to meet the minimum affordable~~
505 ~~housing mitigation requirements.~~

506 ~~1. Construction of unit(s) on the site on which the development is~~
507 ~~proposed.~~ Affordable housing units shall be constructed on the project site, unless the
508 developer can demonstrate compelling evidence that an alternative method would result
509 in a better design, enhanced level of affordability or that the construction on-site would
510 adversely affect the design of the project.

511 ~~2. Construction of the unit(s) within the Park City corporate limits provided such~~
512 ~~land, site or structure had not been previously deed-restricted for affordability.~~

513 ~~3. Dedication of existing units within Park City corporate limits provided such units~~
514 ~~have not been previously deed-restricted for affordability.~~ Units must be of
515 equivalent value, quality and size of the deed restricted units that would have been
516 constructed on-site. Existing units must be in move-in condition with appliances,
517 windows, heating, plumbing, electrical systems, fixtures and equipment in good working
518 condition. The value of dedicated existing units will be determined, at the expense of the
519 developer, by an appraiser selected by the developer from a list of certified appraisers
520 provide by the City or by such alternative means of valuation as to which a developer
521 and the City may agree. All units shall be inspected and shall meet applicable Park City
522 building codes. Applicant shall bear the costs and expenses of any required upgrades to
523 meet the above standards as well as any reports required to assess the suitability for
524 occupancy and compliance with the standards of the proposed units. All appliances and
525 products including light bulbs shall be Energy Star qualified products.

526 ~~4. Construction of units outside Park City, but within the Park City School District~~
527 ~~boundary as it stands on January 1, 2015.~~

528 ~~5. **Conveyance of land within the Park City School District boundary as it stands on**~~
529 ~~**January 1, 2015 provided such land has not been previously deed-restricted for**~~
530 ~~**affordability.** The developer may elect to (a) convey land to the City or its designee that~~
531 ~~is of equivalent value to the cash in lieu contributions that would be required under this~~
532 ~~Resolution, plus an additional 25 percent to cover costs associated with holding,~~
533 ~~developing, improving or conveying such land; or (b) convey land to the City or its~~
534 ~~designee that is of equivalent value (as of the date of conveyance) to that land upon~~
535 ~~which required units would otherwise have been constructed and properly zoned such~~
536 ~~as to allow construction of at least that number of units for which the obligation of~~
537 ~~construction is being satisfied by the dedication of the land. Land conveyance shall~~
538 ~~occur prior to the issuance of any building permit for the free market portion of the~~
539 ~~development. Should the City Council later elect to sell the land, all proceeds from the~~
540 ~~sale of the land shall be placed in a dedicated housing fund.~~

541 ~~6. **Payment of Fees in Lieu of Development.** If the City determines that (1) no other~~
542 ~~alternative is feasible, or (2) such a payment would result in more immediate~~
543 ~~development of housing or (3) such a payment would leverage additional resources,~~
544 ~~then a Payment of Fees in Lieu of Development may be accepted. The collected funds~~
545 ~~may only be expended for projects located within the corporate limits of Park City or~~
546 ~~within the Park City School District boundary as it stands on January 1, 2015. The In~~
547 ~~Lieu Fee shall be based on the actual cost of construction in the prior year~~
548 ~~and published annually in June on the City's affordable housing webpage. Updates may~~
549 ~~occur more frequently at the request of the City Council to reflect changing real estate~~
550 ~~conditions. Any Fees in Lieu collected and any interest accrued, shall be used only for~~
551 ~~the purpose of planning for, subsidizing or developing affordable and employee housing.~~

552 **H. Homeowners Association Dues.** If an affordable housing unit is developed as part of a
553 mixed free market and affordable housing project, then any documents creating the
554 condominium association or homeowners association shall state that the affordable housing unit
555 shall only be assessed monthly dues and other shared assessments based on whichever of the
556 following two (2) formulas results in the lower cost for the affordable housing unit:

- 557 1. The size of affordable housing unit in square feet as compared to the total size of the
558 other units in the development; or
- 559 2. The size of the lot on which the affordable housing unit is located as compared to the
560 total size of the other lots in the development.
- 561 3. The annual common expenses assessment for the Affordable Housing Unit shall not
562 exceed one and a quarter percent (1.25%) of the initial allowed sales price of the
563 Affordable Housing Unit.
- 564 4. Any annual common expenses assessment, special assessment, or any other assessed
565 charge for such Affordable Housing Unit shall be subject to an initial assessment and/or
566 annual assessment increase limitation equal to 3% of the prior year's general annual
567 assessment for the Affordable Housing Unit, or the increase applied to the entire
568 homeowners association, whichever is less.

569 Example: Home buyer purchases a deed restricted unit for \$300,000.00. The
570 annual common expenses assessment for this unit should not exceed \$3,750
571 (\$300,000 X .0125), or \$312.50 per month.

572 **SECTION 10. DEED RESTRICTION.** Prior to the plat recordation, provisions to ensure
573 continued affordability of ~~inclusionary~~ affordable units shall be embodied in legally binding
574 ~~agreements and/or~~ deed restrictions, which shall be prepared by the developer to meet the

575 requirements outlined in this Resolution. PCMC Staff shall provide the Developer with template
576 deed restriction documents for review. The deed restrictions ~~but which~~ shall not be recorded or
577 filed until reviewed and approved by the City Attorney with such modifications as it may be
578 deemed necessary to carry out the purpose of this Resolution. In addition, prior to issuance of
579 any Certificate of Occupancy, the deed restrictions shall be amended, if necessary, to reflect
580 changes approved by PCMC and governing bodies which may have occurred during
581 construction or conversion of the units(s) (e.g., net livable square footage). Deed Restrictions for
582 Affordable Units must meet the requirements of the Park City Municipal Land Management
583 Code in addition to the general requirements of this Resolution.

584 No building permit application shall be accepted in the absence of proof of the execution of
585 requirement agreements and covenants. In the event such restrictions are voided by bankruptcy
586 or other legal action, the City may revoke the Certificate(s) of Occupancy until such time as the
587 subsequent owner complies with the standards herein.

588 A. The Deed Restriction shall specify:

- 589 1. The definition of a "Qualified Buyer" and/or a "Qualified Renter".
- 590 2. For sale units must be owner occupied.
- 591 3. Unit Owner shall not rent or lease all or any portion of their Units, including nightly
592 rentals; provided, however, that only with the prior written consent of the City, Unit
593 Owners may rent or lease their Units under the following circumstances:
 - 594 a. Subject to other zoning and land use regulations, each Unit Owner may rent out
595 a portion of his or her Unit to a roommate for a minimum term of six (6) months
596 and a maximum term of twelve (12) months, and the amount of respective rent a
597 Unit Owner may charge such roommate per month shall not exceed forty-five
598 percent (45%) of the sum of the mortgage payment, Project association
599 assessments, and utilities owed per month for such Unit.

600 b. At a rate determined by the City after accounting for the Unit Owner's costs, a
601 Unit Owner may rent out the Unit Owner's Unit for a period not to exceed twelve
602 (12) months if the Unit Owner is unable to Sell the Unit after one-hundred-and-
603 twenty (120) days of Reasonable Effort. The option to rent under this Section
604 shall not be exercised by any Unit Owner more than once.

605 c. At a rate determined by the City after accounting for the Unit Owner's costs, a
606 Unit Owner may rent out the Unit Owner's Unit if the Unit Owner is required to
607 relocate for a period not to exceed two (2) years by the Unit Owner's employer;
608 for religious, civic, or community service; or for military service.

609 d. Other circumstances as may be required by law.

610 4. The process for resale of the unit in accordance with the PCMC Housing Resolution.

611 5. The method of calculation of the allowed Maximum Resale Value ("MRV"). MRV shall
612 include:

613 a. An increase in price of three percent (3%) per year from the date of purchase to
614 the date of Owner's notice of intent to sell (compounded annually and prorated at
615 the rate of .25 percent per each whole month of any part of a year);

616 b. PLUS, The costs of Qualified Capital Improvements as defined, not to exceed
617 five percent (5%) of the MRV for the current owner or as determined by PCMC
618 on a project specific basis provided that:

619 i. Improvements are pre-approved by PCMC prior to commencement of any
620 work or installation.

621 ii. Proof of homeowners association approval must be provided to PCMC
622 prior to commencement of work.

623 iii. Improvements must be properly permitted and inspected by the Park City
624 Municipal Corporation Building Department if applicable.

- 625 iv. Improvements are documented by the Owner and submitted to PCMC via
626 final detailed paid invoices.
- 627 e. LESS, the Depreciation on Permitted Capital Improvements
628 f. LESS, any costs to bring unit up to Minimum Standards for MRV.
- 629 6. The Housing Unit may be used in a Home Occupation if:
- 630 g. Proof of compliance with the Park City Municipal Code, as amended, or its
631 successor document, is provided to PCMC;
- 632 h. HOA approval of the specific Home Occupation is filed with PCMC, if applicable;
- 633 i. The business holds a current PCMC business license; and
634 j. The business holds current state and federal tax identification numbers, if
635 applicable.
- 636 7. PCMC does not make any guarantees of the Owner's ability to sell the Housing Unit for
637 its MRV or rent the Housing Unit for the Maximum Rent Allowed.
- 638 8. Violation of any of the covenants, conditions and terms of the Deed Restriction shall also
639 be a violation of the Housing Resolution whether or not a corollary provision exists.
- 640 9. An Option to Purchase shall be granted by the Lender to PCMC to redeem the Housing
641 Unit in the event of default by purchasing the unit from the holder of the trustee's deed at
642 the redemption price plus reasonable costs of the holder.
- 643 10. The Deed Restriction shall be binding on all Owners, successors and assigns including
644 any holder of a deed in lieu of foreclosure.
- 645 11. The Deed Restriction, Option to Purchase, and any amendments thereto must be
646 recorded in the property records of Summit County. The original executed and recorded
647 documents must be returned to PCMC for their files.
- 648 12. Deed Restrictions may not be transferred off the property unless otherwise approved
649 though the Park City Housing Authority.

650 13. All Deed Restrictions must be approved by PCMC. No modification or amendment to the
651 Deed Restriction shall be effective unless agreed to in writing by PCMC.

652 **SECTION 11. TIMING OF OCCUPANCY.** The affordable units shall be ready for occupancy no
653 later than the date of the initial or temporary occupancy of the free market portion of the
654 project. If the free market units are to be developed in phases, then the affordable housing can
655 be developed in proportion to the phasing of the free market units as approved in the Housing
656 Mitigation plan.

657 **SECTION 12. APPLICABILITY OF RESOLUTION TO PRIOR APPROVALS OR PENDING**
658 **APPLICATIONS.**

659 **A. Prior Development Agreements.** Developments, which received development plan
660 approvals prior to the adoption of this housing resolution, shall conform to the provisions of the
661 resolution in place at the time of applicable complete application. Any modifications to an
662 existing Development Agreement that results in an increase in housing units or employee
663 generation shall be subject to the provisions of this Resolution.

664 **B. Prior Annexation.** Unless otherwise provided in Conditions of Approval or a Development
665 Agreement, Developments subject to affordable housing requirements imposed by annexation
666 agreements entered into prior to the effective date of this Resolution may develop in conformity
667 with the Resolution in place at the time the Annexation Agreement was approved.

668 **C. Pending Project Approval Actions.** Developments for which complete applications were
669 filed prior to the effective date of this Resolution, but have not been reviewed by the appropriate
670 body, must conform to the Resolution in place at time of application.

671 **SECTION 13. HOUSING MITIGATION PLAN.** The Applicant shall submit a Housing Mitigation
672 Plan. The Housing Mitigation Plan shall be developed using the Housing Mitigation Checklist,

673 reviewed by the Planning Commission as part of the application to the City for the Annexations
674 or Master Planned Development with a recommendation forwarded to the City Council. The
675 Housing Mitigation Plan shall include the following:

676 A. **Calculation and Method.** The calculation of, and method by which housing is to be
677 provided, in compliance with Section 8 “Calculation of Minimum Affordable Housing
678 Requirement” and Section 9 “Method of ~~Housing Requirement~~ Compliance.”

679 B. **Unit Descriptions.** If affordable housing units are to be developed, a site plan and
680 building floor plans (if applicable), illustrating the number of units proposed, their
681 location, the number of bedrooms in and square footage of each unit, and the rental/sale
682 mix of the development. The proposed sale prices and rent levels shall also be included.

683 **SECTION 14. CONSTRUCTION TIMING.**

684 A. **Construction of Market Units.** Affordable units shall be made available for occupancy
685 on approximately the same schedule as a project’s market units; except that Certificates
686 of Occupancy (temporary or permanent) for the last ten percent of the market units shall
687 be withheld until Certificates of Occupancy have been issued for all of the ~~inclusionary~~
688 affordable units. Other phasing agreements may be accepted, if doing so would
689 accomplish additional benefits ~~for~~ for the City consistent with the purposes of this
690 Resolution. A schedule setting forth the phasing of the total number of units in a covered
691 project, along with a schedule setting forth the phasing of the required ~~inclusionary~~
692 affordable units shall be approved prior to the issuance of a building permit.

693 B. **Fulfillment in Advance of Obligation.** Affordable units may be completed in advance
694 of development that triggers an affordable housing obligation. In instances where a
695 residential or commercial developer wants to build and deed restrict units in advance of
696 incurring an affordable housing obligation, the units will be valued as to number of AUEs

697 under the Housing Resolution in existence at the time the market development
698 occurs. The future development shall be identified within the recorded deed restriction
699 document. The units shall be built in accordance with prevailing Land Management
700 Code and deed restricted at the time of approval. The total square footage of deed
701 restricted units will be converted to Affordable Unit Equivalents in compliance with the
702 Housing Resolution in effect at the time a plat is approved for the development that
703 triggers the housing obligation. If for some unforeseen reason, the development
704 triggering the obligation is not completed, the City will entertain a request that the
705 recorded deed restriction(s) on the affordable units be removed.

706 **SECTION 15. GOOD FAITH MARKETING REQUIRED.** All sellers or owners of deed restricted
707 affordable units shall engage in good faith marketing efforts each time a deed restricted unit is
708 rented or sold such that members of the public who are qualified to rent or purchase such units
709 have a fair chance of becoming informed of the availability of such units. A public marketing
710 plan shall be submitted by the developer for the initial sale or lease of the units.

711 **SECTION 16. ~~LOCAL PREFERENCE OPTION~~ HOUSEHOLD QUALIFICATIONS**

712 ~~In order to address the City's local preference options, any deed restricted affordable housing~~
713 ~~project shall give preference to full-time employees (a minimum of 30 hours per week) of~~
714 ~~businesses within the Park City School District boundaries. Preference is also given to Senior~~
715 ~~Citizens (62 & older) and persons who are physically and/or mentally challenged.~~

716 A. **"Qualified Household" Defined**

717 Qualified Households must:

718 1. meet the Employment Requirement;

719 2. meet the Income Limits;

- 720 3. meet the Residency Standard;
- 721 4. meet the Property Ownership Standard; and
- 722 5. meet the Net Assets Standard.

723 **B. Employment Requirement**

- 724 1. **Ownership:** Qualified Households must include a minimum of one
- 725 adult in his or her Household who meets one of the following criteria:
- 726 a. A full-time (aggregate of 30 hours of employment per week)
- 727 employee of an entity or entities located within the Park City
- 728 School District Boundaries; or
- 729 b. An owner of a business or entity with a primary place of business
- 730 within the Park City School District Boundaries; or
- 731 c. A full-time (aggregate of 30 hours of employment per week)
- 732 worker who is self-employed or works out of their home and can
- 733 provide proof that a minimum of 75% of their clients are based
- 734 within the Park City School District Boundaries.
- 735 2. **Qualifying Volunteer Hours:** Up to ten percent (10%) of the
- 736 required employment hours may be filled by verifiable Volunteer
- 737 Community Service within the boundaries of the Park City School
- 738 District.
- 739 3. **Exemptions.** Those who have been determined by PCMC to be
- 740 Qualified Retired or Qualified Disabled prior to application for

741 ownership or rental, as well as Immediate Family of a Qualified
742 Employee are exempt from the required employment hours.

743 a. **Qualified Disabled:** A person who is unable to work or does not
744 have a work history required due to a disability as defined by the
745 Americans with Disabilities Act and who immediately prior to
746 becoming disabled, worked or was an active member of the Park
747 City Community for a minimum of two years.

748 b. **Qualified Retired:** Those who are 65 years or older may apply
749 to be Qualified Retired by providing a verifiable history of
750 employment meeting the ownership or rental occupancy
751 Employment Requirements for at least two (2) years immediately
752 prior to retirement.

753 C. **Earned Income Standard**

754 1. Households must earn a minimum of seventy-five percent (75%) of their
755 Gross Income within the Park City School District Boundaries. To qualify
756 for ownership of a Housing Unit, Household Income is limited to 80% of
757 AMI for Affordable Units and 150% of AMI for Attainable Units. Income
758 limits change with size of household. Area Median Income is a
759 calculation of annual household income determined by the US
760 Department of Housing and Urban Development (HUD).

761 2. **Exemptions** – The following are exempt from the earned income
762 standard:

763 a. Those who are Qualified Disabled per the provisions of Section
764 16.B.3a; and

765 b. Those who are Qualified Retired per the provisions of Section
766 16.B.3b.

767 D. **Residency Standard**

768 1. Applicants purchasing or renting must intend to occupy, and will be
769 required on an ongoing basis to occupy the Housing Unit, as their sole
770 and primary residence.

771 E. **Property Ownership Standard**

772 1. At the time of application, a Household may own other undeveloped or
773 developed residential or commercial property. The fair market value less
774 remaining mortgage loan against of such property will be taken into
775 consideration when determining Household Net Assets.

776 2. Ownership of undeveloped or developed residential or commercial
777 property is restricted.

778 a. At the time a Real Estate Purchase Contract is signed, the
779 Household will be required to sell the property prior to closing on the
780 Housing Unit.

781 b. Households that desire to acquire developed residential property
782 after taking ownership of a Housing Unit must sell the Housing Unit
783 to a Qualified Individual prior to any acquisition of additional
784 undeveloped or developed residential or commercial property.

785 F. **Net Assets Standard**

- 786 1. The combined Net Worth of the persons eighteen years of age and older
 787 in the Household shall not exceed four times the AMI for the household
 788 size. Assets include business assets, real estate, stocks, bonds, cash
 789 and retirement accounts. See “Definitions” for further information.
 790 Persons who are qualified as Senior may not exceed a Net Worth
 791 calculation of 150% higher than four times the AMI for the household.
- 792 2. A one-time gift of up to thirty percent (30%) of the Housing Unit
 793 purchase price used for the purchase of a Housing Unit may be
 794 considered in Net Assets, and not as Income, for the purposes of initial
 795 qualification.
- 796 3. Disposition of Assets – Any member of a Household who has assigned,
 797 conveyed, transferred or otherwise disposed of property or other assets
 798 within the last two (2) years without fair consideration in order to meet
 799 the net asset limitation or the property ownership limitation shall be
 800 ineligible.

801 G. Household Size – The total number of people in a Household shall not be
 802 less than the following Minimum Household Sizes:

<u>UNIT TYPE</u>	<u>MINIMUM # IN HOUSEHOLD</u>	<u>MAXIMUM # IN HOUSEHOLD</u>
<u>Dormitory</u>	<u>1</u>	<u>1</u>
<u>Single Room</u> <u>Occupancy</u>	<u>1</u>	<u>1</u>

<u>Studio</u>	<u>1</u>	<u>2</u>
<u>1 Bedroom</u>	<u>1</u>	<u>2</u>
<u>2 Bedroom</u>	<u>1</u>	<u>4</u>
<u>3 Bedroom</u>	<u>2</u>	<u>5</u>
<u>4 Bedroom</u>	<u>3</u>	<u>6</u>

803

804 ~~SECTION 17. MAXIMUM RENTS AND SALES PRICES.~~ The following provision shall apply to
805 ~~the calculation of rents, selling prices and/or carrying charges of deed restricted affordable units.~~

806 ~~A. Occupancy.~~ In calculating the rents or carrying charges of inclusionary units, the following
807 ~~relationship between unit size and household size shall apply:~~

- 808 ~~• Dormitory/Single Room Occupancy: 1 person per 150 net livable square feet.~~
- 809 ~~• Studio/Efficiency: 1 person per household~~
- 810 ~~• One-bedroom: 1.5 person household~~
- 811 ~~• Two-bedrooms: 2.5 person household~~
- 812 ~~• Three-bedroom: 4 person household~~
- 813 ~~• Four-bedroom: 6 person household.~~

814 ~~B. Rental Units.~~ In general, inclusionary rental units in any one development shall be rented at
815 ~~a price, which, on average, is affordable to a household with an annual income of 45 percent of~~
816 ~~Summit County AMI.~~

817 ~~C. For Sale Units.~~ In general, the initial sales price for an affordable unit in any one
818 ~~development shall average a price affordable to a household earning 80 percent of Summit~~

819 County AMI ~~“Target Household Income Sale Price shall be calculated according to the following~~
820 ~~guidelines: mortgage payment for the Owner Occupied Unit, including principal, interest, taxes~~
821 ~~and insurance (“PITI”), shall not exceed 30% of the Target Household Income. The~~
822 ~~assumptions used to calculate the sales price shall be: (i) a 5% down payment; (ii) a 30-year~~
823 ~~term; and (iii) an interest rate equal to the prevailing FirstHome rate, or its program equivalent,~~
824 ~~of the Utah Housing Corporation (www.utahhousingcorp.org) at the time of the offer.~~

825 ~~**D. Appreciation Limits.** Provisions to ensure continued affordability of inclusionary units~~
826 ~~offered for sale shall include a formula limiting equity appreciation to either a shared percentage~~
827 ~~of the equity appreciation or a cap on the equity appreciation, with such adjustments for~~
828 ~~improvements made by the seller and necessary costs of sale as may be approved by the~~
829 ~~City. The form of the resale restriction shall be determined by the City at the time of approval of~~
830 ~~the Housing Mitigation Plan.~~

831 ~~**E. Limitation on Rental Rates and Terms.** The rate at which an Owner shall rent the Units~~
832 ~~shall not exceed the Maximum Rent as established by the City in accordance with Section 17.B.~~
833 ~~above. The Maximum Rent shall be adjusted annually by the percentage increase in the~~
834 ~~Consumer Price Index for the western region. Allowable increase will be published in June of~~
835 ~~each year on the City’s affordable housing webpage. Unless otherwise approved, the minimum~~
836 ~~lease term shall be six months.~~

837 ~~**F. Income Limits.** The City reserves the right to place an income/asset limitation for~~
838 ~~prospective owners or renters as needed to further the goals of this Resolution.~~

839 ~~**SECTION 18. APPLICATION PROCESS.** In order to address the priorities and goals of the~~
840 ~~City, all sales and resales of units must be in accordance with the process outlined in this~~
841 ~~section.~~

842 A. Household Application & Selection Process. PCMC has created an application and
843 selection process for the sale and resale of all units in the City's housing program. The
844 initial creation of a waitlist was done through a lottery process. Selection for future sales
845 and resales of units will be done utilizing the established waitlist. People wishing to be
846 placed on the waitlist must complete the online pre-application.

847 1. Pre-Application: Pre-Applications provided by the Housing Office shall be
848 submitted. Pre-Applications may be completed online, scanned and submitted
849 via email, or submitted in hard copy form. Submission of the Pre-Application form
850 shall consist of the one-page form plus the signed Indemnification form. No
851 attachments will be accepted. Pre-applications will be placed at the bottom of the
852 established waitlist in the order they are received.

853 2. Full Application: When selected, the applicant will be requested to submit a Full
854 Application in the form provided by PCMC. In addition, PCMC may request any
855 combination of documentation reasonably related to proof of income, assets, and
856 employment. The Full Application includes a release of information form which
857 must be signed by the Household so that PCMC may obtain such information.
858 The Full Application also includes a sworn statement of the facts contained in the
859 application including at least the following certifications:

860 a. that the facts contained in the application are true and correct to
861 the best of the Applicant's knowledge;
862 b. that the Applicant has been given the standard application
863 information packet by PCMC Staff; and,
864 c. that the Applicant, on the basis of the application presented,
865 believes that the Household qualifies to occupy the Housing Unit
866 in question according to the Deed Restriction, this Resolution and
867 all other applicable procedures, rules and regulations.

868 B. Verification of Qualification: Verification of Qualification and Eligibility Standards will
869 be completed once a Full Application is received. Full Applications are not accepted on a
870 rolling basis. The City will notify those on the waitlist when applications are being
871 accepted and for what property or project.

872 C. Misstatement of Fact or Deliberate Fraud: Any material misstatement of fact or
873 deliberate fraud by the Household in connection with any information supplied to PCMC
874 shall be cause for immediate expulsion from the application process and/or forced sale
875 or vacation of the Housing Unit. In addition, any material misstatement of fact or
876 deliberate fraud by the Household shall be considered as intent to commit affordable
877 housing fraud as defined in City Code § 8-3-6. Ordinance 14-47 was ratified to “ensure
878 that any fraud and unjust enrichment in the process is stopped and that buyers, sellers .
879 . . and other intended beneficiaries of deed restricted affordable housing are protected
880 from any fraudulent acts or statements.” A violation of City Code § 8-3-6 is subject to
881 criminal prosecution.

882 D. Confidentiality: All personal and financial information provided to PCMC Staff will be
883 kept strictly confidential, except as follows:

- 884 1. Signed contracts between the Applicant or Household and PCMC including but
885 not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any
886 document to be recorded with the sale of the Housing Unit along with the Deed
887 Restriction, and any document that would customarily be a matter of public
888 record in the property records of the applicable jurisdiction;
- 889 2. The names and lottery positions of all persons who have participated in any
890 ownership lottery held by PCMC;
- 891 3. Any other information that a court of competent jurisdiction rules must be
892 released under the Freedom of Information Act or the Utah Government Records
893 Access and Management Act;

- 894 4. Personal and private information necessary for an independent audit of PCMC
895 records, provided such person or entity provides authorization; and
896 5. Personal and private information to the extent PCMC determines the information
897 is necessary for its deliberation of a request for an Exception or for consideration
898 during a violation hearing.

899 E. **Third Party Verification:** PCMC may require third-party verification for all self-employed
900 Applicants at initial qualification and during compliance checks. PCMC may also employ
901 outside accounting expertise to evaluate the reasonability of an Applicant's or
902 Household's representations of Income and Assets.

903 **SECTION 19. CALCULATION OF SALE PRICE** In general, the initial sales price for an
904 affordable unit in any one development shall average a price affordable to a household earning
905 100 percent of Summit County AMI "Target Household Income Sale Price shall be calculated
906 according to the following guidelines: mortgage payment for the Owner Occupied Unit,
907 including principal, interest, taxes and insurance ("PITI"), and HOA Operating Dues shall not
908 exceed 30% of the Target Household Income. The assumptions used to calculate the sales
909 price shall be: (i) a 5% down payment; (ii) a 30-year term; and (iii) an interest rate equal to the
910 prevailing FirstHome rate, or its program equivalent, of the Utah Housing Corporation
911 (www.utahousingcorp.org) at the time of the offer.

912 **SECTION 20. RENTAL PROCEDURES.** In cases where rental of Housing Units is allowed, the
913 general Rental Procedures contained in this section are required.

914 **A. Standards for the rental of Housing Units:**

- 915 1. Affordability Standards are based on Maximum Rental Rates cannot
916 exceed thirty percent (30%) of Household Income. Maximum Rental

917 Rates and methodology for calculating Maximum Rental Rates are found
918 in this section.

919 2. Maximum Rental Rates may include the cost of utilities and HOA fees.
920 Rental rates shall not exceed 30% of the household income of the tenant
921 and shall be calculated at 45% AMI for Summit County base on unit size
922 and appropriate household size for the unit set forth in Section 16. Owner
923 shall submit a lease which includes the proposed monthly rental rate
924 along with proof of utility costs to PCMC staff. PCMC staff will evaluate
925 the lease and either approve or deny the rental rate proposed based on
926 the standards established herein.

927 3. Rental rates shall apply whether the units are provided furnished or
928 unfurnished.

929 4. The Owner of Affordable Housing rental units, at its cost and expense,
930 must keep and maintain the interior and exterior of the total structure
931 (including all residential units therein) and the adjacent open areas in a
932 safe and clean condition and in a state of good order and repair,
933 reasonable wear and tear and negligent or intentional damage by tenants
934 excepted.

935 B. **Occupancy:** In calculating the rents or carrying charges of affordable units, the
936 relationship between unit size and household size in Section 16 shall apply:

937 C. **Households:** Households shall include all Tenants occupying the Housing Unit.

938 1. Households shall meet the Household Initial Qualification criteria as set
939 forth in Section 16.

940 2. Household Qualification shall be recertified by PCMC Staff at Lease
941 renewal and any time there is a change in Household.

942 D. **Tenants:** All Tenants shall be Qualified Employees.

- 943 1. PCMC Staff shall certify the qualification of all Tenants prior to tenancy
944 and/or the signing of a lease.
- 945 2. Tenants shall meet the Income Eligibility Criteria and not exceed 80%
946 AMI at time of tenancy.
- 947 3. If a Qualified Tenant cannot be found after 90 days, the owner may rent
948 to a Non-Qualified Tenant with written permission from the City.

949 E. Leases: Rental and or occupancy of Housing Units must be memorialized by a
950 written Lease.

- 951 1. Leases must include reference to applicable provisions of the Deed
952 Restriction including but not limited to restrictions on rental rates.
- 953 2. Leases must be for a minimum of six (6) months with a maximum of
954 twelve (12) calendar months.
- 955 3. Executed copies of Leases shall be on file with PCMC at all times during
956 the period in which rental of the Housing Unit is required or has been
957 approved.
- 958 4. Lease Renewal: At the time of any Lease renewal, Maximum Rental Rate
959 may be adjusted up or down in conformity with amendments to this
960 Resolution. Tenants will have to re-qualify as Qualified Employees prior to
961 the renewal of the lease.

962 F. Requirements for Occupancy of a Room or Portion of a Housing Unit

- 963 1. Unit Owner may charge such roommate an amount per month not to
964 exceed forty-five percent (45%) of the sum of the mortgage payment,
965 Project association assessments, and utilities owed per month for such
966 Unit.
- 967 2. A Lease between Owner and Tenant must be executed and filed with
968 PCMC.

969 **SECTION 18 21. TERM OF AFFORDABILITY.** The Term of Affordability shall be for a period
970 of not less than forty (40) years. At the expiration of the initial forty (40) year term, ~~this~~
971 ~~Agreement~~ Affordable Housing Units shall be reviewed for additional consecutive ten (10) year
972 terms, unless the City shall determine, based on an independent housing needs assessment,
973 that the Unit is no longer necessary to satisfy the affordable/employee housing needs in Park
974 City. If the City makes no such determination, the Term of Affordability shall automatically renew
975 for one or more additional consecutive ten (10) year terms.

976 **SECTION 19 22. WAIVERS.** The City Council may waive all or part of the requirements of this
977 Resolution in exchange for enhanced project affordability or livability including but not limited to
978 the incorporation of sustainable building practices and systems in the unit design and
979 development.

980 **SECTION 20 23. ADMINISTRATIVE RELIEF.** The City Council may waive all or part of the
981 requirements of this Resolution where the applicant can establish by clear and convincing
982 financial data and other evidence relating to the character of the development or surroundings
983 that the imposition of the requirements set forth in this ~~article-Resolution~~ shall create an
984 economic hardship. The Council shall use the same standards that it applies to historic
985 properties in making a determination of economic hardship. A waiver under this section shall be
986 granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis
987 for the requested waiver and shall not be considered precedent for future requests for
988 administrative relief.

989 **SECTION 24 24. SEVERABILITY.** If any section, subsection, sentence, clause, phrase, or
990 portion of this Resolution is for any reason held invalid or unconstitutional by any court of
991 competent jurisdiction, such portion shall be deemed a separate distinct and independent

992 provision and such holding shall not affect the validity of the remaining portions of the
993 Resolution.

994 **SECTION ~~22~~ 25. EFFECTIVE DATE.** This Resolution shall take effect upon adoption by the
995 City Council. All prior Housing Resolutions and parts of Resolutions in conflict with the
996 provisions of this Resolution are hereby repealed. This Resolution repeals and replaces all prior
997 housing resolutions including Resolutions 37-91, 8-93, 6-94, 7-95, 17-99, 10-2006, 20-07, 25-
998 12, 02-15, ~~and~~ 13-15, and 03-17.

999 HISTORY

1000 *Adopted by Res. 03-2017 on 2/16/2017*