



**2022**



# Five-Year Moderate Income Housing Plan



## Housing Element To the General Plan

Park City Municipal Corporation  
2022



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# 2022 Five-Year Moderate Income Housing Plan Housing Element of the General Plan

## INTRODUCTION

This plan is prepared consistent with Section 10-9a-403 of the Utah Code, which requires municipalities to complete a Moderate-Income Housing Plan (MIHP) as the Housing Element of the General Plan. Per state code, the plan contains an estimate of the need in Park City for additional moderate-income housing. It also outlines the strategies the City will use to facilitate a reasonable opportunity for a variety of units to be built "to allow persons with moderate incomes to benefit from and fully participate in all aspects of neighborhood and community life."<sup>1</sup> The State's definition of moderate income is equal to 80 percent of Area Median Income (AMI)<sup>2</sup> and in 2022, AMI for a family of three is \$96,984 in Summit County.

A universally accepted formula defines housing affordability: households should spend no more than 30 percent on housing costs.<sup>3</sup>

## BACKGROUND

Park City Municipal Corporation has a long history of ensuring that there are affordable housing options for Park City community members. One of the City Council's primary goals is to develop and maintain a range of affordable, quality housing opportunities that meet the life cycle needs of households at all economic levels. Since the early 90s, the City Council has been forward-thinking about building and preserving affordable housing. In 1993, Park City issued the first of many housing resolutions that grew more aggressive with each update as the affordable housing crisis worsened. The most recent update – [Housing Resolution 05-2021](#) – was adopted in April 2021.

### General Plan

Housing affordability for a diverse range of income levels is critical to maintaining a complete and vibrant community. To that end, the [Housing Element of the 2014 General Plan](#) established Goals 7 & 8 to preserve and develop Lifecycle and Workforce Housing. This Plan replaces these goals and utilizes a number of the elements of the Housing Tool Box found beginning on page 88 at this [LINK](#). The City has and continues to utilize a number of the tools in the Housing Tool Box such as:

- Use of city-owned property for affordable housing development.
- Use of funding from Redevelopment Authorities to finance the construction of units.

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<sup>1</sup> Utah Municipal Code: Municipal Land Use, Development, and Management Act, Plan Preparation (10-9a-403).

<sup>2</sup> AMI is a formula utilized by the Department of Housing and Urban Development as a benchmark for housing affordability.

<sup>3</sup> AFFORDABLE HOUSING: In general, housing for which the occupant(s) is/are paying no more than 30 percent of income for gross housing costs, including utilities. Some jurisdictions may define affordable housing based on other locally determined criteria. This definition is intended solely as an approximate guideline or general rule of thumb – from the HUD User website at [http://www.huduser.org/portal/glossary/glossary\\_a.html](http://www.huduser.org/portal/glossary/glossary_a.html).

- Use of Inclusionary Zoning to mitigate the impact of large developments on the need for affordable housing.
- Amend the Land Management Code to incentivize the private development of affordable housing.
- Maintain City employee housing programs.
- Continue to update deed restrictions on affordable units to protect the integrity of the program and preserve affordability.

Past updated Housing Elements to the General Plan were approved in 2020 and 2021 and are [LINKED here](#). In addition, as a result of ongoing planning that included measurable outcomes and timelines, the City has accomplished the following:

- Completion of 112 additional affordable and attainable units through public/private partnerships, direct city-sponsored development, and housing obligations resulting from development agreements.
- Amendments to the Land Management Code (LMC) to establish an Affordable Master Plan Development, incentivizing private developers to build affordable housing.
- Amendments to the LMC to reduce barriers to the development of accessory dwelling units (ADUs).
- Use of Redevelopment Authority Bonds for the development of low- and moderate-income rentals on several city-owned properties.
- Collaboration with the Transportation Planning Team to explore opportunities to locate affordable housing density near transit.
- Development of a new electronic platform for tracking affordable and attainable housing inventory, managing the waitlist for future sales, conducting annual compliance reviews, and housing obligations resulting from applicable development agreements.

### **Existing Inventory of Moderate-Income Housing**

In 2016, City Council allocated approximately \$19 million in Lower Park Ave RDA bond funds and \$5 million in Additional Resort Communities Sales Tax revenue to fund housing projects. The goal was to use various tools, including direct development, participation in public/private partnerships, and purchase/preservation of existing units. In addition to the funding allocation, the City Council established a community goal of 800 new affordable units by 2026. The 800 figure is a recommendation from a [Housing Policy Study](#) completed in 2016, which recommended 80 new units added annually to maintain 15 percent of the workforce living in town.

Since 2000, housing plans have focused primarily on increasing the number of for-sale units to fill a void of for-sale options for lower-income households. As young workforce households matured, there were few options for moving from affordable rentals to affordable sales. In 2000, seven percent of affordable units were owner-occupied, and ninety-three percent were rentals. By 2010, the ratio of for-sale to rental units was 21 percent to 79, and today they are 33 percent to 67. The last five-year plan, completed in 2017, acknowledged the need for more long-term rentals but suggested the City maintain a focus on for-sale units.

The City has played a leadership role in bringing for-sale units to market to help keep the growing workforce households in town. Infill and municipally funded affordable housing projects included Central Park City Condominiums, The Retreat at the Park, and Woodside Park Phase I. These projects added 27 affordable and attainable<sup>4</sup> ownership units. The City’s partnership with Ivory Homes also added another 68 homes in Park City Heights, a subdivision that, will have 79 deed-restricted homes and 160 market homes when completed.

Based on the most recent Park City Housing Market Assessment 2021 completed by James Wood of the University of Utah, the 800-unit goal is no longer sufficient, and the need for affordable rental units has increased significantly.

Today, rental unit availability is nearly nonexistent due to several factors:

1. Rather than traditional apartment buildings, the market development in Park City has been condominium buildings that are priced out of range for the primary workforce earning 63 percent of AMI or \$76,416 annually.
2. Many long-term rentals have been converted to short-term vacation use in recent years.
3. New affordable rental buildings haven’t been built for more than 25 years.

Based upon the above factors and James Wood’s recommendation, the city will need to re-evaluate its housing goals from 2016. The goals should consider the need for the production of 800 to 1,000 new units in the next five years, adding both rental units and for-sale units to the inventory. In addition, based on needs identified in the 2021 Housing Market Assessment, new development should maintain an 80/20 ratio between rental and for-sale units,<sup>5</sup> with rental units be targeted to household incomes at 63 or below percent of AMI.

Today, there are 651 moderate-income homes in Park City, a community of 3,193<sup>6</sup> year-round households. The current inventory represents 439 rental units and 212 owner-

*Table 1 Status of Current Inventory*

Total # of Housing Units	Renter-Occupied	Owner-Occupied	# of Bedrooms	AGE	#	# of LIHTC	# of Vouchers
651	439	212	SRO: 52	>2020	0	324	2
			Studio: 34	2010-2019	186		
			1 bd: 62	2000-2009	96		
			2 bd: 188	1990-1999	247		
			3 bd: 301	1980-1989	0		
			4 bd: 14	1970-1979	122		

<sup>4</sup> Attainable units are defined as those affordable to households earning 80 to 150% of Area Median Income (AMI).

<sup>5</sup> *Park City’s Housing Needs Assessment 2021*, Wood, James, page 25 (“Wood Study”).

<sup>6</sup> Total primary residences (owner-occupied and long-term rentals), according to the Summit County Assessor's office. This number differs slightly from the Census data included in the James Wood study.

occupied. A variety of resources were utilized to build these units. These include: inclusionary housing obligations, Federal Low-Income Housing Tax Credits (LIHTC), USDA Rural Development funds, and local nonprofits such as [Mountainlands Community Housing Trust](#) (MCHT) and [Habitat for Humanity](#). The City has also stepped into the role of developer, developing several infill projects. In the past, the City also assisted private developers to ensure the success of several projects by providing gap loans, land donations, fee waivers, and paying for flood map changes. Recently, the City has shifted strategies and is working in partnership with private developers to develop city-owned properties.

Existing affordable units have been put into service as follows:

*Table 3 History of Affordable Unit Construction in Park City*

Timing	Source	Number of Units	
		Owner	Rental
1970-1979	Federal United States Department of Agriculture (USDA) Rural Development funding		122
1980-1989	No new units		
1990-1999	Low Income Housing Tax Credits (LIHTC) and in-lieu fee cash from housing obligations	2	202
	Inclusionary Zoning	21	22
2000-2009	Inclusionary Zoning	41	20
	City Development	13	
	Mountainlands Community Housing Trust with City Assistance	22	
	Renovation of 122 aging rental units using LIHTC and USDA Rural Development funding and City Assistance – counted in 1971-1980 above		
2010-2019	Inclusionary Zoning	54	51
	City Public Private Partnerships	42	
	City Development	15	22
	Habitat for Humanity	2	
2020-2022			0
<b>Totals</b>		<b>212</b>	<b>439</b>
<b>Overall Total</b>			<b>651</b>

Based on annual compliance reports and the most recent needs assessment, the affordable units in Park City are serving the following populations:

- Rental units built or preserved with LIHTC and or USDA Rural Development subsidy programs (324) serve low-income households with annual incomes of 35 to 60 percent of AMI (\$42,431 to \$72,738 for a family of three in 2022).<sup>7</sup>
- Rental units built or purchased by the city to serve the needs of transit employees (41) serve very low-income households with annual incomes at 30 percent of AMI (\$36,369 for a family of three).

<sup>7</sup> Area Median Income (AMI) is calculated by the Department of Housing and Urban Development as a benchmark for housing affordability.

- Rental units built by private developers in fulfillment of housing obligations (76) serve moderate-income households with annual incomes between 60 and 80 percent of AMI (\$72,738 to \$96,984 for a family of three in 2022).
- Owner-occupied units in the Affordable Category (167) also serve moderate-income households with annual incomes between 60 and 80 percent of AMI (\$72,738 to \$96,984 for a family of three in 2022).
- Owner-occupied units in the Attainable Category (43) serve middle-income households with annual incomes between 80 and 150 percent of AMI (\$96,984 to \$181,845).

Park City Municipal also provides employer-assisted housing to help city employees live where they work. Assistance takes the following forms:

- Down-payment and closing cost assistance to help employees to buy homes within the Park City School District boundaries.
- Low-cost rental properties to assist in employee recruitment and retention purposes, helping to provide a temporary location while searching for a permanent home.
- A housing allowance for those living within School District boundaries, and
- Low-cost studio rental units for seasonal transit employees.

**ECONOMIC AND DEMOGRAPHIC CONDITIONS**

The 2020 Census Bureau states that the population of permanent residents in Park City was 8,564 (see Table 3). The growth rate of Park City’s population has varied quite a bit since 2000; however, in the past ten years, it has averaged 1.2 percent annually.<sup>8</sup> Therefore, using the average of 1.2 percent, the projected total population in five years is 9,308 and 9,886 by 2032.

*Table 4 Population Changes in Park City*

Year	Park City Population	Absolute Change	Percent Change
1970	1,193	-173	-13%
1980	2,823	1,630	137%
1990	4,468	1,645	58%
2000	7,371	2,903	65%
2010	7,558	187	3%
2020	8,562	1,004	12%

Due to extremely high housing costs, population trends indicate that Park City is becoming less diverse, older, and wealthier. The Census Bureau American Community Survey (ACS) (2020 five-year average) estimates that persons aged 55 and older make

<sup>8</sup> Wood Study, page 17.

Table 5 Park City Households with incomes below 120% of AMI

AMI Levels	Renters	Owner	Total
≤30% AMI	295	294	589
30% to 50% AMI	175	145	320
50% to 80% AMI	380	116	496
80% to 100% AMI	200	58	258
100% to 120% AMI	41	95	136
Total	1,091	708	1,799

Source: James Wood derived from building permit data, HUD CHAS, and Census Bureau data.

up 30 percent of Park City's population,<sup>9</sup> an increase from 13 percent in 2000. Park City's median age is 40, nine years older than the statewide median age of 31.2.<sup>10</sup>

The number of households with incomes at 80, 50 & 30 percent of AMI has stayed constant in the past ten years at around 40 percent of total households. Based on this,

there will be over 200 additional households in need of subsidized housing in each of the next five years: 216 units by 2027 and 444 by 2032.

The rise in Area Median Income (AMI) indicates how wealthy the community is becoming. In 2022, the AMI for a family of three<sup>11</sup> is \$121,230, the highest in Utah. AMI is based on who lives in the community, not who works there. According to the Utah Department of Workforce Services (DWS), the most recent calculation of the median wage earned by a household of three employed in Summit County is \$76,416, which equals 63 percent of AMI.<sup>12</sup> This calculation has remained consistent for several years, as noted in Table 4. Since the average workforce wage is considerably lower than AMI, most of the workforce cannot afford to live in Park City.

The top three workforce sectors in Park City are 1) Accommodation and Food Services, 2) Arts, Entertainment, and Recreation, and 3) Retail Trade. The number of jobs in these sectors makes up close to half of all employment. However, on average, these jobs pay substantially lower wages. The economy depends on tourism, and visitors to Park City demand a high level of service, which requires a large workforce. Household wages in the leisure and hospitality categories earned a household median wage of \$59,914 in 2021, 22 percent less than Summit County's median household wage.

Table 6 Comparison of Summit County AMI vs WFW

	100% AMI	100% WFW	WFW as % of AMI
2022	121,230	76,416	63%
2017	93,060	57,173	61%
2012	90,270	55,714	62%
2010	83,970	51,764	62%
2005	75,060	46,746	62%
2000	61,470	42,434	69%

Meanwhile, according to the 2022 first-quarter sales report provided by the Park

<sup>9</sup>Wood Study, page 15.

<sup>10</sup>Woods Study, Page 14.

<sup>11</sup> The average household size in Park City is 2.78, according to the 2020 Census American Community Survey (ACS) five-year estimates. Therefore, a more realistic formula is to calculate affordable housing-related data on a three-person family rather than the four-person demographic that HUD uses.

<sup>12</sup> Utah Department of Workforce Services, <https://jobs.utah.gov/wi/data/library/wages/annualprofilewages.html>



City Board of Realtors, housing sales prices in the Park City region remain significantly high. For example, the median price of a single-family home in the first quarter of 2022 was \$3.5 million, and \$890,000 for a condo.<sup>13</sup> By contrast, without significant gifts or savings, an annual income of \$76,416 can comfortably handle the mortgage of a home or condo at a sale price of approximately \$307,000. Moreover, in the past year, the average price per square foot to build in Park City was between \$400 and \$650, which equals \$360,000 to \$585,000 for a 900 SF unit at cost, which includes no profit for a builder.

Rents have also increased considerably recently. Today, the average rent on a two-bedroom condominium is approximately \$3,000, compared to \$2,200 in 2017. In addition, the long-term rental market is being squeezed by short-term rentals. Many owners converted long-term rental properties to short-term, meaning that full-time community and workforce members are being pushed out in favor of visitors and tourism. Another factor is the lack of new development of rental apartments. According to the Wood Study, new multi-unit apartment properties (traditional apartments, different from condominium projects) haven't been built for more than 25 years.

Table 7 Housing Affordability in Summit County

### 2022 Housing Affordability

% of AMI	% of WFW	Annual Income	Affordable Rent/Mortgage	Affordable Purchase Price
30%	48%	\$ 36,369	\$ 909	\$ 128,361
50%	79%	\$ 60,615	\$ 1,515	\$ 213,936
60%	95%	\$ 72,738	\$ 1,818	\$ 256,723
80%	127%	\$ 96,984	\$ 2,425	\$ 342,297
100%	161%	\$ 123,230	\$ 3,031	\$ 427,871
120%	190%	\$ 145,476	\$ 3,637	\$ 513,446

Based on the Wood Study, no viable for-sale or rental units in the Park City market are affordable to households with annual incomes at 80 percent or less of AMI.<sup>14</sup> With limited inventory and high housing costs, most of Park City's workforce must commute to work from outside the area. Over 12,700, or 86 percent, of Park City's workforce commute to their jobs, and 8,800 drive from outside Summit County. Commuters add congestion to the roadways and are not environmentally sustainable. Limited inventory also increases the difficulty of recruiting and retaining employees for local businesses.

### Special Needs Populations

Generally, special needs housing is developed in counties or areas with populations much greater than Summit County or Park City. Most smaller communities do not provide special needs housing. However, Mountainlands Community Housing Trust does have a

<sup>13</sup> 2022 1<sup>st</sup> Quarter Statistics, Park City Board of Realtors, <https://www.parkcityrealtors.com/www.parkcityrealtors.com/newsroom>.

<sup>14</sup> Wood Study, page 22.

small number of units for transitional housing.<sup>15</sup> In addition, the Peace House, a program serving victims of domestic violence, provides 12 transitional housing units and eight emergency shelter units.

### **Affordable Housing Mitigation**

The City has actively worked to improve affordable housing options in Park City. The City has utilized Public/private partnerships to complete 79 units, and 99 additional units are planned. The City has also built 16 infill homes. In addition, the City's Community Development Team introduced LMC changes to reduce parking and setback requirements and increase height and density allowances for affordable housing projects. Additional LMC changes reduced barriers to developing accessory dwelling units (ADUs). The City's Housing Team is working with a public/private partnership to develop low- and moderate-income rentals. The first project, totaling 123 units (99 affordable and 24 market), is in entitlement.

The Housing Team is also working with private developers to complete 15 affordable units to fulfill housing obligations. There are also new development agreements under consideration with housing obligations that may produce as many as 250 new affordable units.

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## **FIVE YEAR PLAN**

Based on the Wood Study and needs analysis, the need for moderate-income units will likely increase by 800 to 1,000 units in five years. The projected units are made up of cost-burdened households, projections of demographic growth, and those units needed to ensure that 15 percent of the workforce can live near their jobs.

The following five-year plan focuses first and foremost on the development of additional moderate-income housing. It is laid out first with overarching goals, followed by objectives and the final section establishes the implementation strategies for year one, July 2022-June 2023. Implementation is laid out to align with State codified strategies included in HR 462, a law that took effect on June 1, 2022.

### **GOAL I: Facilitate the production of a mix of new housing units to meet the needs of the local workforce, maintain vibrancy, and increase the diversity of the community.**

Objective A: Work with public/private partnerships to build new units.

Objective B: Ensure that new units resulting from development agreements are a mix of rental, for sale units.

Objective C: Increase the diversity of housing stock to include various unit sizes and types.

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<sup>15</sup> *Park City Housing Needs Assessment 2016*, Wood, James, page 16.

Objective D: Reduce and/or eliminate municipal fees for affordable housing development.

Objective E: Create housing opportunities for both the aging and neuro-diverse populations.

Objective F: Preserve existing moderate-income units.

Objective G: Find ways to build units at various levels of affordability.

**GOAL II: Enact zoning changes and amend the Land Management Code to incentivize the development of affordable housing.**

Objective A: Change zoning classifications to allow for the development of affordable housing.

Objective B: Provide parking reductions to projects that use alternative transportation options to reduce the need for vehicle travel.

Objective C: Look for opportunities to increase height and density allowances for affordable housing development where appropriate.

Objective D: Change Land Management Code to incentivize development of affordable ADUs.

**GOAL III: Enhance housing assistance programs for City Employees.**

Objective A: Expand the employee rental program to include both short and long-term rental options.

Objective B: Continue to evaluate employee housing allowance programs and make changes as necessary.

Objective C: Look for innovative ways to create housing opportunities for City employees.

**GOAL IV: Explore new tools to retain permanent residents and preserve community vibrancy.**

Objective A: Reduce the impacts that short-term rentals have on our resort community.

Objective B: Pursue programs that will preserve existing housing stock for permanent residential use.

Objective C: Pursue ways to incentivize the development of affordable accessory dwelling units (ADUs).

**GOAL I: Facilitate the production of a mix of new housing units to meet the needs of the local workforce, maintain vibrancy, and increase the diversity of the community.**

*State Strategy C: Demonstrate investment in the rehabilitation of existing uninhabitable housing stock into moderate-income housing.*

- Adopt a plan to rehabilitate municipal property at 516 Marsac Avenue to preserve moderate-income housing in Park City.
- PROJECTED COMPLETION: July 2023.

*State Strategy L: Reduce, waive, or eliminate impact fees related to moderate-income housing.*

- Work with a private developer to waive building and construction fees for the Homestake affordable housing project, proposed to create 123 units.
- PROJECTED COMPLETION: December 2022.

*State Strategy P: Demonstrate utilization of a moderate-income housing set aside from a community reinvestment agency, redevelopment agency, or community development and renewal agency to create or subsidize moderate income housing.*

- Use funds from the Lower Park RDA and affordable housing bond financing to begin the development of the Homestake multi-unit, mixed-income project with 123 proposed units.
- PROJECTED COMPLETION: April 2023

*State Strategy U: Develop a moderate-income housing project for residents who are disabled or 55 years or older.*

- Evaluate feasibility and develop a plan to incorporate senior housing and services into the development of a multi-use and multi-generational project located at 1361 Woodside Avenue
- PROJECTED COMPLETION: July 2023

**GOAL II: Enact zoning changes and amend the Land Management Code to incentivize the development of affordable housing.**

*State Strategy A: Rezone for densities necessary to facilitate production of moderate-income housing.*

- Issue an RFP to identify a public/private partnership to rezone a portion of the City-owned Mine Bench parcel at 7700 Marsac Avenue to provide higher density for the development of affordable/employee housing.
- PROJECTED COMPLETION: August 2023.

### **GOAL III: Enhance housing assistance programs for City Employees.**

*State Strategy N: Implement a mortgage assistance program for employees of the municipality, an employer that provides contracted services to the municipality or any other public employer that operates within the municipality.*

- Evaluate the existing policy and propose changes to increase assistance and utilization.
- PROJECTED COMPLETION: March 2023.