

Resolution 12-2025

A RESOLUTION TO ADOPT AFFORDABLE HOUSING GUIDELINES AND STANDARDS FOR PARK CITY, UTAH, AND TO REPEAL AND REPLACE RESOLUTION 05-2021 IN ITS ENTIRETY

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

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

WHEREAS, the 2023 Affordable Housing Analysis concluded that housing costs continue to outpace wages in the service sector areas of the resort-based economy and has resulted in making housing unaffordable to the vast majority of the City's workforce; and

WHEREAS, the 2023 Affordable Housing Analysis projects that the Retail, Leisure, and Hospitality employment sectors will continue to drive the demand for additional workforce housing in Park City; and

WHEREAS, it is in the best interest of the community and legitimate government interest to formulate guidelines and standards to establish consistent criteria for review of Master Planned Development applications and Annexation petitions where affordable housing can mitigate the impact of the project on the community; and

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

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

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

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

SECTION 3. PURPOSE. The purpose of this Resolution is to ensure that new development does not adversely affect the supply of affordable housing in the City and to maintain the social, economic, and cultural fabric of Park City. It is intended that the requirements imposed herein are roughly proportionate and reasonably related to the impacts of the Development.

SECTION 4. REVIEW. This Resolution shall be reviewed annually by the City Council to update income targets and ensure that these standards are meeting the City's housing goals and objectives.

SECTION 5. DEFINITIONS.

1. Affordable For Sale Housing: Housing that is priced affordable to households with incomes at or below 125% of Workforce Wage (WFW) which is equal to 80% of AMI or \$121,392 in annual income for a family of three in 2025.
2. Affordable Housing Cost: Monthly housing costs that consume no more than 30 percent of a household's income. Housing costs include rent or mortgage, basic utilities, and any Homeowners or Condo Association dues.
3. Affordable Housing Unit or Housing Unit: Dwelling units that are deed restricted to the housing size and type for individuals meeting occupancy guidelines approved by the Park City Council.
4. Affordable Rental Housing: Housing that is priced affordable to households with incomes ranging up to 100% of WFW which is equal to 56% of AMI or \$85,646 in annual income for a family of three in 2025.
5. Affordable Unit Equivalent (AUE): 900 SF of Net Livable Space shall be considered one Affordable Unit Equivalent.
6. Annual Compliance Report: A report, as amended from time to time by the City or its designee, required to be provided to the City by each Unit Owner yearly to certify compliance with deed restrictions on a unit.
7. Applicant: A Household that has submitted the required application either for qualification as a Buyer or for placement on the Ownership Waiting List, as the context requires.
8. Assets:
 - a. Assets: Anything owned by an individual that has commercial or exchange value. Assets consist of specific property or claims against others, in contrast to obligations due to others.
 - b. Gross Assets: Anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation, or estate that is applicable or subject to the payment of debts. Gross Assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the

- payment of debts. Assets are evaluated at current fair market value, not accounting book value.
 - c. Household Gross Assets: Combined Gross Assets of the Household.
 - d. Household Net Assets: Gross Household Assets less Gross Household Liabilities.
 - e. Net Assets: Gross Assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.
9. Area Median Income (AMI): Area Median Income is a calculation of annual household income determined by the US Department of Housing and Urban Development (HUD).
 10. Attainable Housing: Housing that is priced affordable to households with incomes ranging from 126% to 213% of WFW which is equal to 81% to 120% of AMI or \$122,909 to \$182,088 in annual income for a family of three in 2025.
 11. Capital Improvements: Material improvements or structural changes to a Unit that are more than repairs or cosmetic changes, including changes that would adapt a Unit to a new or different use or materially affect the value or use of the Unit and including, but not limited to all Permitted Capital Improvements.
 12. CC&Rs: The Declaration of Covenants, Conditions, and Restrictions, commonly known as the CC&Rs, is a legal document that is filed with the county recorder's office which are part of the governing documents for the project, subdivision or condominium.
 13. City Code: The Municipal Code of Park City, Utah, as amended.
 14. Deed Restriction: A contract entered into between Park City Municipal Corporation and the owner of real property identifying the conditions for occupancy and resale.
 15. Dependent: A minor child (18 years or younger) or other person related by blood or adoption to a Tenant or Owner of a Housing Unit declared as a dependent for federal income tax purposes by such Tenant or Owner, or by Tenant's or Owner's present or former spouse.
 16. Developed Residential Property: Property that contains at least one (1) dwelling unit as defined in the Park City Land Management Code.
 17. Disability: A physical or mental impairment that substantially limits one or more of a person's major life activities, including a person having a record of such an impairment or being regarded as having such an impairment.
 18. Domicile: The place where an individual has a fixed permanent home and principal establishment to which the individual, if absent, intends to return and in which the individual and/or his or her family voluntarily reside not for a special or temporary purpose but with the intention of making a permanent home for a minimum of nine (9) months out of each calendar year.
 19. Fixture: 1) A tangible thing which previously was personal property, and which has been attached to or installed on land or a structure thereon in such a way as to become a part of the real property; 2) Any non-portable lighting device built in or attached securely to the structure; 3) The permanent parts of a plumbing system and fixtures.

20. Household: All individuals that are or will be occupying a unit regardless of legal status.
21. Housing costs: Monthly housing costs that consume no more than 30 percent of a household's income. Housing costs include rent or mortgage, basic utilities, and Homeowners or Condo Association dues.
22. Household Income: Combined income of all individuals over the age of 18 who are or will be occupying the unit regardless of legal status. Adjustments to the gross for business expenses can be made for people who are self-employed.
23. Immediate Family: Spouse, siblings, parents and/or offspring, either biologically, by marriage, civil union, or by legal adoption, regardless of age.
24. Income:
- a. Earned Income:
 - Income derived from one's own labor or through active participation in a business and including retirement funds, Social Security benefits, alimony, and child support; and
 - Net income derived from a business or from income-producing property, after reasonable deductions for expenses, depreciation, taxes, and similar allowances.
 - Retirement and/or pension income for Qualified Elderly, regardless of origin, is considered earned within the Park City School District boundaries.
 - b. Household Income: Combined Gross Income of all individuals in the Household excluding dependents.
25. Net Livable Square Footage: Calculated on interior living area and measured interior wall to interior wall, including all interior partitions. Also included, but not limited to, habitable basements and interior storage areas, closets, and laundry areas. Exclusions include, but are not limited to, uninhabitable basements, mechanical areas, exterior storage, stairwells, garages (either attached or detached), patios, decks, and porches.
26. Net Worth: The total assets of an applicant that exceed total liabilities, as determined by the City.
27. Option to Purchase: A legal document signed by the Mortgagee, acknowledging the provisions of the Deed Restriction and granting a right to the PCMC or to the Park City Housing Authority to purchase the Housing Unit in default.
28. Owner-Occupied: A Unit that is occupied by the Unit Owner as the Unit Owner's Primary Residence.
29. Park City School District Boundaries: The latest school district boundaries as duly adopted and as reflected on the most current mapping issued by the Utah State Automated Geographic Reference Center school district map.
30. PCMC: Park City Municipal Corporation. As used in this Resolution, PCMC may also mean the Board of Directors of the Park City Housing Authority, or PCMC Staff as the context requires.
31. Permitted Capital Improvements: Capital Improvements made by a Unit Owner to the Unit Owner's Unit with the prior written consent of the City; are completed with

all necessary building permits, including final inspections required by such permits, and deemed completed by the City building department; and that may increase the Maximum Resale Price subject to Section 10.

32. Primary Residence: The place where Domicile has been established as the sole and exclusive place of residence.
33. Residential Unit Equivalent: In accordance with the Park City Land Management Code, Title 15, Section 6-8 Unit Equivalents, one Residential Unit Equivalent (RUE) is equal to 2,000 SF of Multi-Family Dwelling floor area or one single family lot.
34. Sale: For purposes of this Resolution, a sale is the exchange of a Housing Unit for an agreed amount of money not to exceed the Maximum Resale Price in a single transaction in which title to the Housing Unit is transferred to a new Qualified Household.
35. SF: Square Feet.
36. Target Income: The specific household income to be served by affordable or attainable units which is determined by PCMC based on current need at the time units are put in service.
37. Volunteer Community Service: Work which is performed for recognized non-profit community organizations for which no monetary or other material compensation is received.
38. Workforce Wages (WFW): The median wage of the core Park City workforce. Park City Workforce Wage shall be calculated in April of each year and published on the City's affordable housing webpage. It is based on the prior year's wages as reported by the Utah Division of Workforce Services. Workforce Wage is calculated as follows:
 - a. Summit County median wage for prior year.
 - b. Remove all anomalies such as extremely high or low wages, and calculate a weighted average (number of jobs times monthly wages per job divided by total jobs).
 - c. Add six percent for additional earnings such as tips, incentives, bonuses, and overtime as well as investments and non-cash benefits.
 - d. Multiply total by 1.5 to account for the average household in Park City having 1.5 workers.

SECTION 6. EXEMPTIONS. The development of affordable housing units that are not part of any housing obligations resulting from a Master Planned Development or an Annexation Agreement are exempt from the requirements of this Resolution. This may also include projects developed by or sponsored by nonprofit organizations and/or projects for which agreements have been carried out that provided affordable housing or land for said purpose.

SECTION 7. FEE WAIVERS AND PROJECT SUBSIDIES. Title 11, Chapters 12 and 13 of the Municipal Code provides that “any part of the fees included in this Title may be waived by the City Council upon recommendation of the City Manager, for those projects which are deemed to serve a beneficial public purpose that would be harmed by the City requiring

the payment of such fees, such as low income housing projects.” Pursuant to Title 11, Chapter 13-4(A) of the Municipal Code, the City Council may waive impact fees for construction of affordable housing. Affordable housing projects that fulfill housing obligations resulting from Master Planned Developments or Annexations are not eligible for fee waivers unless the applicant builds more units than required and/or rents/sells the required units to lower-income households. Specific household income targets will be negotiated in the process of approving the Mitigation Plan referenced in SECTION 13.

Project subsidies and fee waivers are available to non-MPD/Annexation projects on a case-by-case basis. Up to 100% of fees can be waived and up to 20% of project costs subsidized. The actual amount of fee waivers and project subsidies will depend on the household income targeted by the project and approved by the City Council.

SECTION 8. CALCULATION OF MINIMUM AFFORDABLE HOUSING REQUIREMENTS

- A. Residential Development.** For projects where dwelling units are offered for sale or rent, the Developer shall provide affordable housing units in an amount equal to twenty percent (20%) of the total RUEs in the project. Affordable Housing Units developed on-site in fulfillment of this requirement are not included in the density calculation for the project.

RESIDENTIAL GENERATION CALCULATION EXAMPLE

An Applicant has received approval for a 128-unit Master Planned Development. The dwelling units are of varying sizes totaling 328,000 SF which equals 164 RUEs.

1. 164 RUEs (total units approved) multiplied by .20 (residential mitigation rate) equals 32.8 Affordable Unit Equivalents (AUEs).
2. One AUE equals 900 SF of net livable space.

The total approved units for this Master Planned Development is 128 market rate units plus 32.8 AUEs equaling 29,520 total net SF of additional livable space.

- B. Commercial Development.** The Developer shall be required to mitigate 20 percent of the employees generated. For projects with a commercial component, the minimum affordable housing requirements shall be determined according to the following formulas:

Table 1: Employee Generation by Type of Use.

Type of Use	Full-Time Equivalents (1560 hours) per 1,000 Net Leasable SF
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

The Overall/General Type of Use shall apply to any use not listed in the Employee Generation Table if an Independent Calculation is not performed.

EMPLOYEE GENERATION CALCULATION EXAMPLE

An application for a Master Planned Development of 20,000 SF of commercial space and 100 hotel rooms has been submitted. The commercial uses include:

- 10,000 SF of retail space
- 5,000 SF of restaurant/bar space
- 5,000 SF of professional services

Using the above Employee Generation Table, the project will generate 144 FTEs.

- 10,000 SF of Retail at 3.3 FTEs per 1,000 SF equals 33 FTEs.
- 5,000 SF Restaurant/Bar at 6.5 FTEs per 1,000 SF equals 32.5 FTEs.
- 5,000 SF Professional Services at 3.7 FTEs per 1,000 SF equals 18.5 FTEs.
- 100 Hotel rooms at 0.6 FTEs per unit equals 60 FTEs.

144 (total number of FTEs) multiplied by .20 (mitigation rate) equals 28.8 households. 28.8 households divided by 1.5 (workers per household) equals 19.2 AUEs required.

The Developer is required to provide 19.2 AUEs or a total of 17,280 net SF of livable space in addition to approved commercial and hotel density.

C. Reduction of Employee Generation for Institutional/Nonprofit Use. The City Council may reduce the base employee generation rate by up to fifty percent for uses that are “non-commercial or non-residential in nature, which provide educational, social or related services to the community and which are proposed by public agencies, nonprofit agencies, foundations and other similar organizations” upon finding that the benefits/impacts of such Development as they relate to the Community’s Critical Priorities and/or General Plan goals outweigh the housing impacts.

D. Independent Calculation. An applicant may submit an independent calculation of the number of FTEs to be generated by a proposed development, to be used in place of the Employee Generation Table. The independent calculation must be described in detail as to formulas used and the basis for those formulas. The City Council may choose to accept the independent calculation if the Council determines the calculation constitutes compelling evidence of a more accurate calculation of employee generation than Table 1: Employee Generation Table. Should the independent calculation not be accepted, then the applicable employee generation factor from the Employee Generation Table shall be applied to the proposed Development. Any acceptance of an Independent Calculation shall be site and use specific, non-transferable, and be memorialized in a Development Agreement between the developer and the City. Such Agreement shall be executed prior to the issuance of any building permit.

- E. Redevelopment: Additions and Conversions of Use.** Redevelopment or remodeling of an existing structure or a change in use that results in additional employee generation shall require additional housing mitigation. For this Section to apply, the original structure and use must have resulted from an approved Master Planned Development or Annexation Agreement. Any new area or unit or any change in use or amendment to an existing approved Master Planned Development which creates additional Employee Generation as determined in Table 1: Employee Generation by Type of Use shall be subject to a recalculation of housing obligation. Mitigation shall be required for the employees generated by the proposed total square footage (including addition) minus the original employment generation prior to the change. Example 1: a conversion of a 1,000-square-foot. retail establishment with an employee generation rate of 3.3 FTEs per 1,000 SF to a restaurant or bar with a generation rate of 6.5 FTEs per 1,000 SF results in a net increase in 3.2 FTEs and would require additional mitigation. Example 2: a bar-restaurant enlarges their space by expanding the building into a parking area, adding 1,000 SF which is a net increase of 6.5 FTEs and would require additional mitigation.
- F. Final Unit Requirement Calculations.** The final calculations for the number of affordable units and the rental or sales price for these units shall be made by staff utilizing the calculation formulas in Section 8 and Section 20 of this Housing Resolution. All calculations are subject to approval by the Park City Housing Authority prior to the issuance of building permits for the covered project.
- G. PCMC Capital Projects are Exempt.** Capital projects completed by the City are for the benefit of the community and as such shall be exempt from housing obligations.

SECTION 9. METHODS TO FULFILL HOUSING OBLIGATIONS

- A. Methods of Meeting Minimum Requirements.** The following methods, in order of priority, may be used to meet the minimum affordable housing mitigation requirements.
 1. Construction of unit(s) on the site on which the development is proposed. Affordable housing units shall be constructed on the project site, unless the developer can demonstrate compelling evidence that an alternative method would result in a better design, enhanced level of affordability or that the construction on-site would adversely affect the design of the project.
 2. Construction of the unit(s) within the Park City corporate limits provided such land, site or structure had not been previously deed-restricted for affordability.
 3. Dedication of existing units within Park City corporate limits provided such units have not been previously deed-restricted for affordability. Developers may deed restrict units by purchasing an open-market unit, placing a Deed Restriction on that unit, and renting or reselling the unit to a Qualified Household. It is the developer's responsibility to demonstrate approval by

the homeowner's association for the open-market unit proposed for deed restriction, including any limitations on the homeowner's association dues for the Housing Unit. It is the developer's responsibility to demonstrate approval by the jurisdiction in which the proposed unit is located for any unit proposed to be deed restricted to provide Affordable Housing, including approval of the provisions of the deed restriction. Units so deed restricted are subject to all size and construction standards and notes, except that PCMC may consider an exception to the size standards on a case-by-case basis. A developer may request this exception in its Housing Mitigation Plan, or may apply for such exception as an amendment to the Housing Mitigation Plan. Any existing unit which is to be deed restricted must be in a good state of repair and condition. Acceptance of existing units shall be at the sole discretion of the Park City Housing Authority. If accepted by the Park City Housing Authority, existing units must meet the following criteria, unless a variance from these requirements is approved by the Park City Housing Authority:

- a. Units must be freshly painted in the interior, and exterior walls shall be freshly painted within one year of approval;
- b. All appliances must be in good condition and in working order;
- c. Yards and landscaping, windows, heating, plumbing, and electrical systems and equipment shall be in good condition and in working order;
- d. Units must meet the Energy Efficiency requirements set out in Section 9.F below;
- e. The roof must have a remaining useful life of at least ten (10) years and Units shall meet applicable building codes in effect at the time, pursuant to inspection and approval by a qualified Building Inspector accepted by PCMC;
- f. The Applicant shall bear the costs and expenses of any required upgrades as well as any structural/engineering reports required by PCMC to assess the suitability for occupancy and compliance with required standards;
- g. To complete an inspection and receive approval for deed restricting an existing unit, the Developer may be required to pay an Inspection Fee to PCMC, which is not refundable. Payment to place deed restrictions on existing units owned by a third party is allowed with the following requirements:
 - i. No more than 25% of a housing obligation resulting from a particular Development Agreement may be fulfilled by placing deed restrictions on already constructed units owned by a third party;
 - ii. Must demonstrate approval by the homeowner's association for the open-market unit proposed for deed restriction,

including any limitations on the homeowner's association dues for the Housing Unit; and

iii. Units must meet the health, safety and energy efficiency standards set out in this Section 9.A.3.

4. Construction of units outside Park City, but within the Park City School District boundary as it stands on January 1, 2015.
5. Conveyance of land within the Park City School District boundary as it stands on January 1, 2015 provided such land has not been previously deed-restricted for affordability. The developer may elect to (a) convey land to the City or its designee that is of equivalent value to the fee in lieu contributions required under this Resolution, plus an additional 25 percent to cover costs associated with holding, developing, improving, or conveying such land; or (b) convey land to the City or its designee that is of equivalent value (as of the date of conveyance) to that land upon which required units would otherwise have been constructed and properly zoned such as to allow construction of at least that number of units for which the obligation of construction is being satisfied by the dedication of the land. Land conveyance shall occur prior to the issuance of any building permit for the free market portion of the development. Should the City Council later elect to sell the land, all proceeds from the sale of the land shall be placed in a dedicated housing fund.
6. Payment of Fees in Lieu of Development. If the Park City Housing Authority determines that (a) no other alternative is feasible, or (b) such a payment would result in more immediate development of housing, or (c) such a payment would leverage additional resources, then a Payment of Fees in Lieu of Development may be accepted. The collected funds may only be expended for projects located within the corporate limits of Park City or within the Park City School District boundary as it stands on January 1, 2019. The In Lieu Fee shall be based on the actual cost of construction in the prior year. Updates may occur more frequently at the request of the City Council to reflect changing real estate conditions. Any Fees in Lieu collected and any interest accrued shall be used only for the purpose of planning for, subsidizing, or developing affordable housing.

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

1. Single-Family: In developments where only single-family detached dwelling units are being produced, the required on-site Affordable Unit Equivalents shall also be single-family detached dwelling units.
2. Multi-Family: In developments where only multi-family buildings are being produced, the required on-site Affordable Unit Equivalents shall also be within the multi-family building or buildings.

3. **Mixed:** In developments where there is a mix of dwelling unit types such as: detached single-family, townhomes, duplexes or attached single-family, or multi-family condominium or apartment buildings, or other types of units, the required on-site Affordable Unit Equivalents shall also be a mix in the same proportion as the market rate dwelling units.
4. **Alternative Distribution Ratios:** Different unit distribution among the Affordable Unit Equivalents may be permitted by the Park City Housing Authority on a case-by-case basis if doing so would accomplish additional benefits or result in a better design than not using the distribution of units provided for in this section.

C. Square Footage and Occupancy Standards: To assure livability and to calculate costs based on occupancy, the standard net leasable square footage for affordable units and number of occupants per unit type shall be as follows:

UNIT TYPE	MINIMUM SF	MAXIMUM SF	OCCUPANCY
Micro Unit/Studio	250	499	1
1 Bedroom	500	699	2
2 Bedroom	700	899	3
3 Bedroom	900	1,099	4
4 Bedroom	1,100	1,400	6

1. Minimum square footage is the actual minimum square footage allowed to be constructed or otherwise provided per use under the provisions of the Park City Land Management Code.
2. All newly constructed, deed restricted Affordable Housing Units must comply with the applicable building codes in effect in Park City and with all rules, regulations and codes of all governmental bodies and agencies having jurisdiction.
3. All deed restricted Affordable Housing Units must have a fully equipped kitchen (Sink, Refrigerator, Stove Top, Microwave) and a full bathroom (Sink, Shower/Tub, and toilet), areas for living and sleeping and designated areas for storage. Areas designated for sleeping and/or bedrooms shall be a minimum of 100 SF, with a minimum width of 10 feet. PCMC shall be the final judge of the adequacy of facilities provided in the unit.
4. Any deviation from these standards shall be approved by Park City Housing Authority as part of the applicable Affordable Housing Mitigation Plan. The Building Department prior to the issuance of any building permits for either the free market or employee housing component of the project must verify square

footage. The Building Department may check the actual construction of the Affordable Housing Units.

- D. Seasonal Units.** Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy the employee housing requirements by provision of dormitory/Single Room Occupancy (SRO) units designed for occupancy by seasonal employees. The dormitory/Single Room Occupancy (SRO) units must satisfy all requirements of the applicable Guidelines and shall be required to meet the following minimum standards:
1. Occupancy of a dormitory unit shall be limited to no more than 8 people.
 2. There shall be at least 150 SF of net livable square footage per person.
 3. At least one bathroom shall be provided for shared use by no more than four people. The bathroom shall contain at least one toilet, one wash basin, one bathtub with a shower and a total area of at least 60 net livable SF.
 4. A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Building Department's approval and determination that the facilities are adequate in size to service the number of people using the facility.
 5. Use of 20 net leasable SF per person of enclosed storage area located within, or adjacent to, the unit.
 6. Rents for dormitory units will be approved by the Park City Housing Authority in conjunction with approval of the Housing Mitigation Plan.
- E. Special Needs Emergency/Transitional Housing.** Pursuant to the applicable City codes, an applicant for a development may, at the sole discretion of the City and subject to certain requirements, satisfy a portion of its employee housing requirements by provision of special needs emergency/transitional housing units through either direct construction, land donation or the donation of existing units. There must be a quantified, demonstrated need for the emergency/transitional housing within the Park City boundaries. The housing must be developed in collaboration with a federally recognized, 501(c)(3) nonprofit organization. The housing must comply with all applicable local, state and federal requirements. Given the unique and varied characteristics of the population to be served, the rents for emergency/transitional housing must be approved in advance by the Park City Housing Authority.
- F. Minimum Green Building Requirements.** All appliances and fixtures, including light bulbs, shall be Energy Star qualified products for all new construction or substantial rehabilitation. Developers are encouraged to meet the guidelines and goals of the City's Net Zero Building Program.

G. Affordable Unit Amenities. Affordable units may differ from the market units with regard to interior amenities and gross floor area provided that:

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

H. Homeowners Association Dues in New Construction

1. Affordable/Employee units within Market Buildings. To protect the affordability of the Affordable Housing Units within a market building, the CCRs shall state that the Affordable Housing Unit shall only be assessed monthly dues and other shared assessments based on whichever of the following two (2) formulas result in the lower cost or option C:
 - a. Size: the pro rata shares of the assessments based on the size of the Affordable Housing Unit in SF as compared to the total size of all the other units in the development; or
 - b. Par Value: The Affordable Housing Unit pays a pro rata share based on its initial list price at the initial sale of the unit compared to the aggregate initial list price at the initial sale of all units in the project. This method is preferred for units mixed within market units to recognize the Affordable Housing Units are not substantially the same as market units. For the avoidance of doubt, any subsequent reduction or increase in list price or a discount or premium on the listing price to a particular purchaser shall not influence, or cause a recalculation of, the par value of the particular unit or the total value of all units in the project. Example: if an Affordable Housing Unit was initially listed at a price of \$150,000 dollars for the initial sale of the unit, and the total initial list price of all units in the complex at their initial sale was \$2 million dollars, then the Affordable Housing Unit would pay a ratio of 7.5% of the community's total HOA fees. This calculation would not change if an individual purchased a unit for a price less or more than \$150,000 dollars or upon resale of the unit.
 - c. Separate HOA: Affordable Housing Units within market rate developments may have the option to create their own separate HOA to determine their fees and assessments separate from the market rate units within the same development. Refer to Section 2 below to see the procedure for 100% affordable properties.

2. Affordable/Employee units within 100% affordable properties: The CCRs of the homeowner's association shall state that the annual common operating assessment shall not exceed one- and one-half percent (1.5%) of the initial list price of the Affordable Housing Unit. If utilities for individual units are included in HOA dues, then the dues less the cost of utilities for individual units may not exceed 1.5% of the initial list price.

HOA DUES CALCULATION EXAMPLE

List price of an Affordable Housing Unit is \$300,000. Annual common operating assessment for this unit shall not exceed \$4,500 ($\$300,000 \times .015$) or \$375 per month.

Exceptions or changes to this rule may be granted by (i) the affirmative vote of no less than 67% of the owners or, (ii) after delivery by the HOA to the Housing Authority of a letter justifying the necessity of the excess increase to the Housing Authority's satisfaction in its sole discretion, by an affirmative majority vote of the Housing Authority.

3. Limits to Annual Increases. The CCRs of the homeowner's association shall state that annual increases in common operating assessments shall not exceed 4% of the prior year's assessment. Exceptions to this rule may be granted by (i) the affirmative vote of no less than 67% of the owners or, (ii) after delivery by the HOA to the Housing Authority of a letter justifying the necessity of the excess increase to the Housing Authority's satisfaction in its sole discretion, by an affirmative majority vote of the Housing Authority.
4. Special Assessments. The CCRs of the homeowners association shall state, in market buildings that include Affordable Housing Units, that Special Assessments must be apportioned to the Affordable Housing Units in accordance with the size of the unit or based on par value whichever is less calculated in accordance with the formula set forth in H.1. of this section. In properties that are made up of 100% Affordable Housing Units, Special Assessments must be approved by no less than 67% of the owners. If less than 67% of the owners vote for the Special Assessment and then a presentation can be given to the Housing Authority in the form of a letter detailing the need for the Special Assessment, the Housing Authority may, in its sole discretion, approve the Special Assessment by an affirmative majority vote. Exceptions to this rule may be granted by an affirmative majority vote of the Housing Authority.

SECTION 10. DEED RESTRICTION. Prior to the plat recordation, provisions to ensure continued affordability of affordable and attainable units shall be embodied in legally binding deed restrictions, which shall be recorded to meet the requirements outlined in this Resolution. PCMC Staff shall provide the Developer with template deed restriction documents for review. The deed restrictions shall not be recorded until reviewed and

approved by the City Attorney with such modifications as may be deemed necessary to carry out the purpose of this Resolution. In addition, prior to issuance of any Certificate of Occupancy, the deed restrictions shall be amended, if necessary, to reflect changes approved by PCMC and governing bodies which may have occurred during construction or conversion of the units(s) (e.g., net livable square footage). Deed restrictions must meet the requirements of the Park City Municipal Land Management Code in addition to the general requirements of this Resolution. No building permit application shall be accepted in the absence of proof of the execution of required agreements and covenants. The deed restriction shall specify:

- A.** The definition of a “Qualified Buyer” and/or a “Qualified Renter”.
- B.** For sale units must be owner occupied.
- C.** The Unit Owner of owner-occupied units shall not rent or lease all or any portion of their Units, including nightly rentals; provided, however, that only with the prior written consent of the City, Unit Owners may rent or lease their Units under the following circumstances:
 - 1. Subject to other zoning and land use regulations, each Unit Owner may rent out a portion of his or her Unit to a roommate for a minimum term of six (6) months, and the amount of respective rent a Unit Owner may charge such roommate per month shall not exceed forty-five percent (45%) of the sum of the mortgage payment, project association assessments, and utilities owed per month for such Unit.
 - 2. At a rate determined by the City after accounting for the Unit Owner’s costs, a Unit Owner may rent out the Unit Owner’s Unit for a period not to exceed twelve (12) months if the Unit Owner is unable to Sell the Unit after one-hundred-and-twenty (120) days of Reasonable Effort. The option to rent under this Subsection shall not be exercised by any Unit Owner more than once.
 - 3. At a rate determined by the City after accounting for the Unit Owner’s costs, a Unit Owner may rent out the Unit Owner’s Unit if the Unit Owner is required to relocate for a period not to exceed two (2) years by the Unit Owner’s employer; for religious, civic, or community service; or for military service.
 - 4. Other circumstances as may be required by law.
- D.** The process for resale of the unit shall be in accordance with this Housing Resolution.
- E.** The method of calculation of the allowed Maximum Resale Price (“MRP”). MRP shall include:
 - 1. An increase in price of three percent (3%) per year from the date of purchase to the date of Owner’s notice of intent to sell (compounded annually and prorated at the rate of .25 percent per each whole month of any part of a year).

2. PLUS, the costs of Qualified Capital Improvements as defined, not to exceed five percent (5%) of the MRP for the current owner or as determined by PCMC on a project specific basis provided that:
 - a. Improvements are pre-approved by PCMC prior to commencement of any work or installation.
 - b. Proof of homeowner's association approval must be provided to PCMC prior to commencement of work.
 - c. Improvements must be properly permitted and inspected by the Park City Municipal Corporation Building Department if applicable.
 - d. Improvements are documented by the Owner and submitted to PCMC via final detailed paid invoices.
 3. LESS, the Depreciation on Permitted Capital Improvements
 4. LESS, any costs to bring unit up to Minimum Standards for MRP.
- F.** The Housing Unit may be used in a Home Occupation if:
1. Proof of compliance with the Park City Municipal Code, as amended, or its successor document, is provided to PCMC.
 2. HOA approval of the specific Home Occupation is filed with PCMC, if applicable.
 3. The business holds a current PCMC business license.
 4. The business holds current state and federal tax identification numbers, if applicable.
- G.** PCMC does not make any guarantees of the Owner's ability to sell the Housing Unit for its MRP or rent the Housing Unit for the Maximum Rent Allowed.
- H.** Violation of any of the covenants, conditions and terms of the Deed Restriction shall also be a violation of the Housing Resolution whether or not a corollary provision exists.
- I.** An Option to Purchase shall be granted by the Lender to PCMC to redeem the Housing Unit in the event of default by purchasing the unit from the holder of the trustee's deed at the redemption price plus reasonable costs of the holder.
- J.** The Deed Restriction shall be binding on all Owners, successors and assigns including any holder of a deed in lieu of foreclosure.
- K.** The Deed Restriction, Option to Purchase, and any amendments thereto must be recorded in the property records of Summit County. The original executed and recorded documents must be returned to PCMC for their files.
- L.** Deed Restrictions may not be transferred off the property unless otherwise approved through the Park City Housing Authority.

- M.** All Deed Restrictions must be approved by PCMC. No modification or amendment to the Deed Restriction shall be effective unless agreed to in writing by PCMC.

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

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

- A. Prior Development Agreements. Developments, which received development plan approvals prior to the adoption of this housing resolution, shall conform to the provisions of the resolution in place at the time of applicable complete application. Any modifications to an existing Development Agreement that results in an increase in housing units or employee generation shall be subject to the provisions of this Resolution.
- B. Prior Annexations. Unless otherwise provided in Conditions of Approval or a Development Agreement, developments subject to affordable housing requirements imposed by annexation agreements entered into prior to the effective date of this Resolution may develop in conformity with the Resolution in place at the time the Annexation Agreement was approved.
- C. Pending Project Approval Actions. Developments for which complete applications were filed prior to the effective date of this Resolution, but have not been reviewed by the appropriate body, must conform to the Resolution in place at the time of application.

SECTION 13. HOUSING MITIGATION PLAN. The Applicant shall submit a Housing Mitigation Plan. The Housing Mitigation Plan shall be developed using the Housing Mitigation Checklist, reviewed by the Planning Commission as part of the application to the City for the Annexation or Master Planned Development with a recommendation forwarded to the City Council. The Housing Mitigation Plan shall include the following:

- A. Calculation and Method. The calculation of, and method by which housing is to be provided, in compliance with Section 8 “Calculation of Minimum Affordable Housing Requirement” and Section 9 “Methods to Fulfill Housing Obligations.”
- B. Unit Descriptions. If affordable housing units are to be developed, a site plan and building floor plans (if applicable), illustrating the number of units proposed, their location, the number of bedrooms in and square footage of each unit, and the rental/sale mix of the development. The proposed sale prices and rent levels shall also be included.

SECTION 14. CONSTRUCTION TIMING.

- A. Construction of Market Units. Affordable units shall be made available for occupancy on approximately the same schedule as a project’s market units; except

that Certificates of Occupancy (temporary or permanent) for the last ten percent of the market units shall be withheld until Certificates of Occupancy have been issued for all the affordable units. Other phasing agreements may be accepted, if doing so would accomplish additional benefits for the City consistent with the purposes of this Resolution. A schedule setting forth the phasing of the total number of units in a covered project, along with a schedule setting forth the phasing of the required affordable units shall be approved prior to the issuance of a building permit.

- B. Fulfillment in Advance of Obligation. Affordable units may be completed in advance of development that triggers an affordable housing obligation. In instances where a residential or commercial developer wants to build and deed restrict units in advance of incurring an affordable housing obligation, the units will be valued as to number of AUEs under the Housing Resolution in existence at the time the market development occurs. The future development shall be identified within the recorded deed restriction document. The units shall be built in accordance with the prevailing Land Management Code and deed restricted at the time of approval. The total square footage of deed restricted units will be converted to Affordable Unit Equivalents in compliance with the Housing Resolution in effect at the time a plat is approved for the development that triggers the housing obligation. If for some unforeseen reason, the development triggering the obligation is not completed, the City will entertain a request that the recorded deed restrictions on the affordable units be removed.

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

SECTION 16. HOUSEHOLD QUALIFICATIONS. Qualified Households must meet, employment requirements, income limits, residency standard, property ownership standard, and net worth limits.

- A. Employment Requirement: Qualified Households must include a minimum of one adult in his or her Household who meets one of the following criteria:
 - 1. A full-time (aggregate of 30 hours of employment per week) employee of one or more entities located within the Park City School District Boundaries for a minimum of two years; or
 - 2. An owner of a business or entity with a primary place of business within the Park City School District Boundaries for a minimum of two years; or
 - 3. A full-time (aggregate of 30 hours of employment per week) worker who is self-employed or works out of their home and can provide proof that a minimum of 75% of their clients are based within the Park City School District Boundaries for a minimum of two years.

4. Remote work will only be considered if the applicant has been a local, Park City resident for a minimum of five years prior to application.
 5. Qualifying Volunteer Hours: Up to ten percent (10%) of the required employment hours may be filled by verifiable Volunteer Community Service within the boundaries of the Park City School District.
 6. Exemptions. Those who have been determined by PCMC to be Qualified Retired or Qualified Disabled prior to application for ownership or rental, as well as Immediate Family of a Qualified Employee are exempt from the required employment hours.
 - a. Qualified Disabled: A person who is unable to work or does not have a work history required due to a disability as defined by the Americans with Disabilities Act.
 - b. Qualified Retired: Those who are 65 years or older may apply to be Qualified Retired by providing a verifiable history of employment meeting the ownership or rental occupancy Employment Requirements for at least two (2) years immediately prior to retirement.
- B. Earned Income Limits: Household income limits vary depending on the type of housing. Income limits adjust annually with changes in WFW.
1. Households in rental units can earn no more than 100% of WFW, which is equal to 56% of AMI or \$85,646 in annual income for a family of three in 2025. Limits vary with household size.
 2. Households buying affordable units can earn no more than 125% of Workforce Wage (WFW), which is equal to 80% of AMI or \$121,392 in annual income for a family of three in 2025. Limits vary with household size.
 3. Households buying attainable units can earn no more than 260% of WFW which is equal to 150% of AMI or \$222,679 in annual income for a family of three in 2025. Limits vary with household size.
- C. Residency Standard: Applicants purchasing or renting a deed restricted unit must occupy the Housing Unit, as their sole and primary residence.
- D. Property Ownership Standard
1. At the time of application, a Household may own other undeveloped or developed residential or commercial property. The fair-market value less remaining mortgage loan against such property will be taken into consideration when determining Household Net Assets.
 2. Ownership of undeveloped or developed residential or commercial property is restricted.
 - a. The Household will be required to sell the property prior to closing on the deed restricted Housing Unit.
 - b. Households that desire to acquire improved property or vacant land after taking ownership of a Housing Unit must sell the Housing Unit to

a Qualified Individual prior to any acquisition of additional undeveloped or developed residential or commercial property.

E. Net Worth Limits

1. The combined Net Worth of the persons eighteen years of age and older in the Household shall not exceed four times the annual income for the household. Assets include business assets, real estate, stocks, bonds, cash and retirement accounts. See “Definitions” for further information.
2. A one-time gift of up to thirty percent (30%) of the Housing Unit purchase price used for the purchase of a Housing Unit will be considered in Net Assets, and not as Income, for the purposes of initial qualification.
3. Disposition of Assets – Any member of a Household who has assigned, conveyed, transferred or otherwise disposed of property or other assets within two (2) years prior to purchase, without fair consideration in order to meet the net asset limitation or the property ownership limitation shall be ineligible.

F. Household Size – The total number of people in a Household shall comply with Park City Building Code regarding occupancy limits based on square footage.

SECTION 17. APPLICATION PROCESS.

- A. Pre-Application:** Selection for future sales and resales of units will be made utilizing an established waitlist. People wishing to be placed on the waitlist must complete the online pre-application.
- B. Full Application:** When a waitlist applicant is interested in purchasing a unit that becomes available, the applicant will be requested to submit a Full Application in the form provided by PCMC. In addition, PCMC may request any combination of documentation reasonably related to proof of income, assets, and employment. The Full Application includes a release of information form which must be signed by the Household so that PCMC may obtain such information. The Full Application also includes a sworn statement of the facts contained in the application.
- C. Verification of Qualification:** Verification of Qualification and Eligibility Standards will be completed once a Full Application is received. Full Applications are not accepted on a rolling basis. The City will notify those on the waitlist when applications are being accepted and for what property or project.
- D. Misstatement of Fact or Deliberate Fraud:** Any material misstatement of fact or deliberate fraud by the Household in connection with any information supplied to PCMC shall be cause for immediate expulsion from the application process and/or forced sale or vacation of the Housing Unit. In addition, any material misstatement of fact or deliberate fraud by the Household shall be considered as intent to commit affordable housing fraud as defined in City Code § 8-3-6. Ordinance 14-47 was

ratified to “ensure that any fraud and unjust enrichment in the process is stopped and that buyers, sellers, and other intended beneficiaries of deed restricted affordable housing are protected from any fraudulent acts or statements.” A violation of City Code § 8-3-6 is subject to criminal prosecution.

- E. Confidentiality:** All personal and financial information provided to PCMC will be kept strictly confidential, except as follows:
1. Signed contracts between the Applicant or Household and PCMC including but not limited to Contracts to Purchase a Housing Unit, Deed Restrictions, any document to be recorded with the sale of the Housing Unit along with the Deed Restriction, and any document that would customarily be a matter of public record in the property records of the applicable jurisdiction;
 2. The names and lottery positions of all persons who have participated in any ownership lottery held by PCMC;
 3. Any other information that a court of competent jurisdiction rules must be released under the Freedom of Information Act or the Utah Government Records Access and Management Act;
 4. Personal and private information necessary for an independent audit of PCMC records, provided such person or entity provides authorization; and
 5. Personal and private information to the extent PCMC determines the information is necessary for its deliberation of a request for an Exception or for consideration during a violation hearing.
 6. Third Party Verification: PCMC may require third-party verification for all self-employed Applicants at initial qualification and during compliance checks. PCMC may also employ outside accounting expertise to evaluate the reasonability of an Applicant’s or Household’s representations of Income and Assets.

SECTION 18. CALCULATION OF SALE PRICE. The Sale Price for a targeted household income shall be calculated according to the following guidelines: mortgage payment for the owner-occupied unit including principal, interest, taxes and insurance (“PITI”), and HOA Operating Dues shall not exceed 30% of the Target Household Income. The assumptions used to calculate the sales price shall be: (i) a 5% down payment; (ii) a 30-year term; and (iii) an interest rate equal to the prevailing FirstHome rate, or its program equivalent, of the Utah Housing Corporation (www.utahhousingcorp.org) at the time of the offer.

SECTION 19. RENTAL PROCEDURES. In cases where rental of Housing Units is allowed, the general Rental Procedures contained in this section are required.

- A. Standards for the rental of Housing Units:**
1. Affordability Standards are based on Maximum Rental Rates which are thirty percent (30%) of Household Income for the target group.
 2. Maximum Rental Rates may include the cost of utilities and HOA fees. The owner shall submit a lease which includes the proposed monthly rental rate

along with proof of utility costs to PCMC staff. PCMC staff will evaluate the lease and either approve or deny the rental rate proposed based on the standards established herein.

3. Rental rates shall apply whether the units are furnished or unfurnished.
4. The Owner of Affordable Housing rental units, at its cost and expense, must keep and maintain the interior and exterior of the total structure (including all residential units therein) and the adjacent open areas in a safe and clean condition and in a state of good order and repair, reasonable wear and tear and negligent or intentional damage by tenants excepted.

B. Tenants:

1. All tenants shall meet the employment qualifications found in Section 16.
2. PCMC Staff shall certify the qualification of all Tenants prior to tenancy and/or the signing of a lease.
3. Tenants shall meet the Income Eligibility Criteria designated by the Housing Unit's Income Eligibility at time of tenancy.

C. Leases: Occupancy of Housing Units must be memorialized by a written Lease.

1. Leases must include reference to applicable provisions of the Deed Restriction including but not limited to restrictions on rental rates.
2. Leases must be for a minimum of six (6) months with a maximum of twelve (12) calendar months.
3. Executed copies of Leases shall be on file with PCMC at all times during the period in which rental of the Housing Unit is required or has been approved.

D. Lease Renewal: At the time of any Lease renewal, Maximum Rental Rate may be adjusted up or down in conformity with amendments to this Resolution.

E. Requirements for Occupancy of a Room or Portion of a Housing Unit

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

SECTION 20. TERM OF AFFORDABILITY. The Term of Affordability shall be for a period of not less than forty (40) years. At the expiration of the initial forty (40) year term, Affordable Housing Units shall be renewed for additional consecutive ten (10) year terms, unless the City shall determine, based on an independent housing needs assessment, that the Unit is no longer necessary to satisfy the affordable/employee housing needs in Park City. If the City makes no such determination, the Term of Affordability shall automatically renew for one or more additional consecutive ten (10) year terms.

SECTION 21. WAIVERS. The City Council may waive all or part of the requirements of this

Resolution in exchange for enhanced project affordability or livability including but not limited to the incorporation of sustainable building practices and systems in the unit design and development.

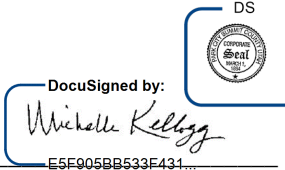
SECTION 22. ADMINISTRATIVE RELIEF. The City Council may waive all or part of the requirements of this Resolution where the applicant can establish by clear and convincing financial data and other evidence relating to the character of the development or surroundings that the imposition of the requirements set forth in this Resolution shall create an economic hardship. The Council shall use the same standards that apply to historic properties in making a determination of economic hardship. A waiver under this section shall be granted only to the extent necessary to relieve the hardship or difficulty that serves as the basis for the requested waiver and shall not be considered precedent for future requests for administrative relief.

SECTION 23. SEVERABILITY. If any section, subsection, sentence, clause, phrase, or portion of this Resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate distinct and independent provision, and such holding shall not affect the validity of the remaining portions of the Resolution.

SECTION 24. EFFECTIVE DATE. This Resolution shall take effect upon adoption by the City Council. All prior Housing Resolutions and parts of Resolutions in conflict with the provisions of this Resolution are hereby repealed. This Resolution repeals and replaces all prior housing resolutions including Resolutions 37-91, 8-93, 6-94, 7-95, 17-99, 10-2006, 20-07, 25-12, 02-15, 13-15, 03-2017, 25-2020, and 05-2021.

PASSED AND ADOPTED this 12th day of June, 2025.

PARK CITY MUNICIPAL CORPORATION

Attest:  DS
Michelle Kellogg, City Recorder

Signed by:

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Mayor Nann Worel

Approved as to form:

Signed by:

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City Attorney's Office