



## 2013 WINNER

### ORGANIZATION

Park City Municipal Corporation

### LOCATION

Park City, Utah

### MUNICIPAL POPULATION

7,558 permanent residents

Nearly 50,000 in peak tourist season

### YEAR OF IMPLEMENTATION

1993

### NUMBER OF UNITS PRODUCED

485

### MIXTURE OF HOUSING TYPES

- 326 rental units affordable to households earning 35 to 60 percent of AMI
- 60 rental units affordable to households earning 60 to 80 percent of AMI
- 99 owner-occupied units affordable to households earning 65 to 105 percent of AMI

### WEBSITE

[www.parkcity.org](http://www.parkcity.org)



## Park City Municipal Corporation Park City, Utah

Park City, Utah is a resort community widely known for its world-class skiing and outdoor recreation as well as international events such as the 2002 Winter Olympics and the annual Sundance Film Festival. The city has 7,558 permanent residents among a seasonal population of nearly 50,000.

Employment in Park City and surrounding Summit County is dominated by the traditionally low-wage leisure and hospitality sector. In 2012, local wages in this sector averaged just \$24,200. In contrast, the 2012 Summit County Area Median Income (AMI) of \$90,810 (three-person household) is the highest in the state and among the highest in the nation.

Housing prices in Park City have appreciated much more rapidly than wage increases. Average wages increased 32 percent from 2001 to 2011, while housing prices had increased 107 percent between 2001 and 2009.

The widening gap in housing affordability is a major challenge for Summit County workforce households. For example, in 2012 a three-person household earning \$72,648 (80% of AMI) could afford a home priced at \$268,000. Yet, the median housing price in Summit County was \$530,000—an affordability gap of \$262,000. Thus, homeownership continues to be elusive for many working households. Not surprisingly, one of Park City's greatest challenges is creating sufficient ownership opportunities for middle-income families who want to live in the city.

Even while attracting older households and retirees, the high-cost, low-wage economy of Park City is forcing young families to live elsewhere.

Meeting the unique housing needs of seasonal employees in the community is an additional challenge. Given the high cost of land in Park City, it is difficult to make projects financially feasible for short-term occupancy. Traditional finance sources for affordable and workforce rental housing (such as the federal Low Income Housing Tax Credit program) require a six-month minimum lease.

Elected officials, community members, and major local employers, including Park City and the ski resorts, have recognized the critical need to create and preserve affordable housing. Today, there are 485 deed-restricted affordable housing units in Park City, amounting to 16 percent of year-round occupied housing stock. These units are 80 percent rental and 20 percent owner-occupied, serving households that range from 35 to 105 percent of AMI. One-third of these units are considered workforce housing, serving households earning above 60 percent AMI.

Park City's diverse efforts to address local affordable housing needs are spread among five areas: regulatory measures, city-sponsored development, financial assistance, employer-assisted housing, and educational programs.

**Regulatory Measures:** Since 1993, Park City has issued a series of affordable and workforce housing resolutions designed to make an impact on the city's housing challenges. Park City uses its own "Workforce Wage" calculation based on data from Utah Division of Workforce Services, rather than AMI, to determine appropriate price points for affordable units. In 2012, the Workforce Wage for a family of three in Summit County was \$55,714. According to the Park City workforce housing resolution, rents on affordable units must be targeted for a household earning an annual income equivalent to the Park City Workforce Wage. The initial price of a for-sale affordable unit is required to be priced for a household earning 150 percent of the Workforce Wage.

Among the provisions in the most recent version, Resolution 25-12, updated in September 2012:

- All commercial development must provide affordable units for 20 percent of employees generated;
- Residential development must provide 15 percent affordable units;
- Affordable housing development projects can qualify for fee waivers up to \$5,000 per unit;
- New construction and rehabilitation projects must meet – at minimum – LEED certified energy efficiency levels and include Energy Star appliances and fixtures.
- Long-term affordability through recorded deed restrictions and appreciation caps not to exceed three percent annually.
- Deed restrictions are in place for a minimum of 40 years and renewable for subsequent 10-year terms.
- Local preference options give priority to persons working in Park City.
- The city holds a right of first refusal to re-purchase units at the deed-restricted price.
- The city also retains the right to cure defaults and foreclosures in order to retain the deed restriction.
- A compliance review process tracks occupancy to ensure that the city's housing goals are being met.

**“In Park City, moose and elk are members of our town and the middle class is an endangered species. When homes built in the 1970s sell for more than \$600,000, lower- and middle-income households are priced out of the housing market. When we developed the Snow Creek Cottages, for example, we targeted a broad range of income levels from 60 percent to 120 percent of AMI.”**

**Mayor Dana Williams**  
Park City Municipal Corporation

**City-Sponsored Development:** In 2009, the city took a unique approach to affordable and workforce housing when it undertook the construction of Snow Creek Cottages, 13 two- and three-bedroom units incorporating renewable energy, green building materials, and energy-efficient building technologies. It was awarded the 2010 Project of the Year by the Utah Housing Coalition. By taking on the developer role, the city was able to minimize project costs through the contribution of staff time and self-fund the construction, removing construction interest costs.

**Financial Assistance:** The city has provided more than \$11 million in financial assistance to support the development of affordable and workforce housing. Examples include: using USDA Rural Development 515 preservation funds to provide a local nonprofit housing developer with a line of credit for predevelopment cost; fee waivers; flexible, low-cost loans; land donations; and direct financial assistance as part of its annual budget to support three local housing organizations.

**Employer-Assisted Housing:** Park City models employer-assisted housing by encouraging employees to live near work and within the Park City School District boundaries. Park City's practices have included down payment assistance loans and a monthly housing allowance for city employees, affordable rentals to employees in transition, and providing seasonal rental housing for city transit employees.

**Homebuyer Education:** The city works with local partners to increase the housing education of new homebuyers. Most recently, the city partnered with the Board of Realtors to provide five HUD- certified home buyer education seminars. City staff has also hosted roundtable discussions with local and regional lenders on how it can improve its deed restrictions and down-payment assistance programs.

The city's housing policies have sought to capture long-term affordability while also maintaining flexibility to administer, interpret or amend policies as needed. While there have been many challenges along the way, affordable and workforce housing has had steady support from Park City's mayors and council members over the past two decades. As a small, resort community with significant housing affordability needs in an expensive market, the key to Park City's success has been its embrace of a comprehensive and steadily evolving approach to cultivating affordability. Moreover, Park City demonstrates how a community can leverage tools that are commonly available to local governments in cities of all sizes to address a critical need.

