



A Joint Meeting of the
Brian Head Town Council &
Brian Head Planning Commission
Brian Head Town Hall – Council Chambers
56 North Highway 143 – Brian Head, UT 84719
[www.Zoom.us \(Click Here\)](https://www.zoom.us/j/84440910646)
Via Zoom Meeting ID# 84440910646
TUESDAY, May 2, 2023 @ 1:00 PM

AGENDA

- A. CALL TO ORDER
- B. PLEDGE ALLEGIANCE
- C. DISCLOSURES

D. AGENDA ITEMS:

- 1. **DISCUSSION – Inclusionary Zoning (Attainable Housing Requirements).** Bret Howser, Town Manager. The Council and Commission will hear a report from Thomas Eddington with Integrated Planning & Design and then hold a discussion on the topic of Inclusionary Zoning. They may give direction to staff for preparing an ordinance amending the Land Management Code.

E. ADJOURNMENT

Date: April 27, 2023

Available to Board Members as per Ordinance No. 11-003 authorizes public bodies, including the Town, to establish written procedures governing the calling and holding of electronic meetings at which one or more members of the public board may participate by means of electronic communications. In compliance with the Americans with Disabilities Act, persons needing auxiliary communications aids and services for this meeting should call Brian Head Town Hall @ (435) 677-2029 at least three days in advance of the meeting.

CERTIFICATE OF POSTING

I hereby certify that I have posted copies of this agenda in three conspicuous locations: the Post Office, The Mall, and the Brian Head Town Hall and have posted copies on the Utah Meeting Notice Website and the Brian Head Town website and have caused a copy of this notice to be delivered to the Daily Spectrum, a newspaper of general circulation.

Nancy Leigh, Town Clerk



Workforce Housing Plan – Review and Next Steps

To: Mayor Clayton Calloway and Town Council Members
Chairperson Doug Deutschlander and Town Planning Commissioners

From: Thomas Eddington Jr., AICP, ASLA
Integrated Planning & Design, LLC

Re: Workforce Housing – Review of Workforce Housing Plan and Next Steps

Date: May 2, 2023

Document Review: Brian Head Town Workforce Housing Plan (May 2022)
2010 General Plan

Background and Overview

The Brian Head Town Workforce Housing Plan, completed in May 2022 by the Five County Association of Governments, provides a detailed demographic assessment of the Town that illustrates an in-depth analysis of the Town's current conditions and anticipated trends. This work was undertaken with the goal of providing the Town Council, Planning Commission and Staff with the base data and analysis necessary to ultimately recommend how the community will define and implement the planning and zoning tools necessary to ensure housing opportunities are affordable to the Town's workforce.

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Workforce housing has varying definitions depending on the community or demographic in question. For the purposes of this plan, workforce housing is housing which is affordable to those working in Brian Head, typically those working in accommodations and food services or retail, earning between \$10 and \$13 hourly, or around \$1,200 to \$1,500 monthly.

Brian Head Town Council and Staff requested assistance from the Five County Association of Governments to develop a workforce housing plan for the community. This plan provides Brian Head Town with an understanding in shifting housing and economic trends in the community. The plan will present relevant demographic and economic data for the community; review housing and affordability data for the area; assess existing town plans, policies, and ordinances; and will conclude with recommended goals and actions.

A quick recap of the Plan's demographic assessment:

- The Town's population per the 2020 US Census is 151 people.
- The Kem C. Gardner Institute estimates that Iron County will see a 70.1% increase in population between 2020 and 2060.
- The largest age cohort in the Town is aged 60 – 69, and there are no people aged 20 – 39 in the Town.

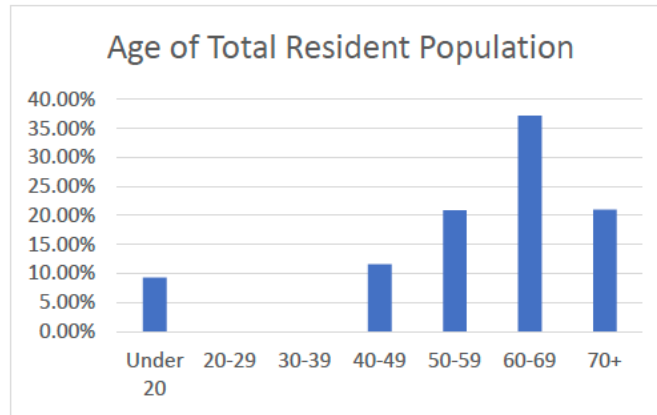


FIGURE 3: BRIAN HEAD AGE OF POPULATION

- Workforce Population: The US Census estimates that there are 148 primary jobs in the Town.

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According to interviews, few employees live in Brian Head Town. The Census Data describes an inflow of 148 employees, equal to the total number of jobs in the town. Area business owners report that employees live in Cedar City, Parowan, or Enoch and arrive to work by driving themselves, carpooling, or taking the van pool or shuttle options.

Most Brian Head workers are 30-54 years old, with the next largest demographic being 29 or younger. In contrast, employers describe that most employees are between 20 and 30 years old. The interview findings could be influenced by local perception of who works certain types of jobs. Fifty-five percent of jobs are staffed by male employees.

- More than 75% of all job opportunities remain in the service sector, all with relatively lower wages:

Accommodation and food service industries provide the bulk of jobs in Brian Head Town, with 52% of all jobs in the town in this industry. Retail trade is the next highest industry with 25% and other professional industries occupy between 1% and 3% of the town's jobs.

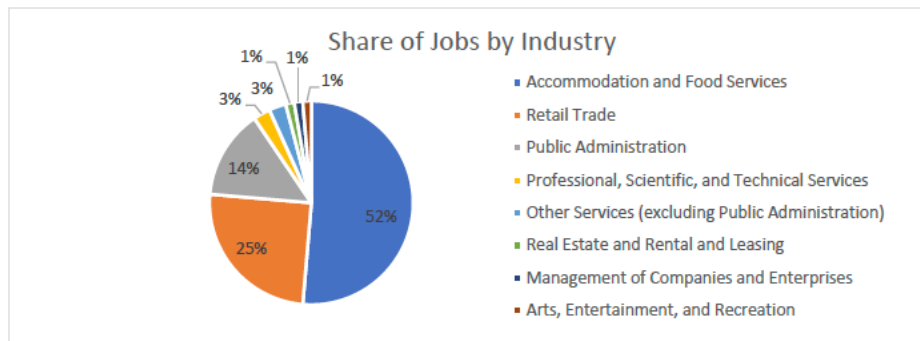


FIGURE 11: BRIAN HEAD SHARE OF JOBS BY INDUSTRY

Source: US Census Bureau, 2019.

- The U.S. Department of Housing and Urban Development uses...Area Median Income (AMI) to reflect the cost of living of different household sizes for each County. The AMI is the standard to determine housing affordability, where residents making less than or equal to 80% of the AMI for an area are considered low-to-moderate income earners. As of 2021 the median family income in Iron County was \$61,900. Earners making at or below \$4,127 monthly are considered low-to moderate income. Earners at the lowest income level of 30% AMI are expected to make a maximum of \$1,547 monthly and are very low income.
- The minimum wage in Utah is \$7.25, which yields a net income of \$1,160 monthly for a full-time employee. The US Census Bureau has estimated earnings from jobs in the town between \$1,251 and \$3,333 monthly described in Figure 13. **Nearly 40% of the Brian Head workforce makes \$1,250 or less monthly, placing this share of earners squarely below 30% of AMI for the area. Eighty-three percent of all workers in Brian Head earn an income less than 80% AMI.**
- There is not an industry present in Brian Head Town which has a county average monthly income which surpasses the 80% AMI level. Leisure and Hospitality Services has monthly average wages below the monthly income for 30% AMI.

TABLE 2: SUMMARY OF BRIAN HEAD TOWN WAGES

Hourly Wage	Hours per Week	Net Monthly Wage
\$10	40	\$1,600
	30	\$1,200
	20	\$800
\$13	40	\$2,080
	30	\$1,560
	20	\$1,040
\$17	40	\$2,720
	30	\$2,040
	20	\$1,360

Source: Employer interviews

- Most the Town's housing units are over-30-year-old multi-family units used for seasonal or recreational purposes. The 2020 American Community Survey estimates that Brian Head Town has 1,678 total housing units.
- The housing stock in Brian Head is aging. Over 75% of the town's housing units were constructed from 1980 to 1999.
- Of the 1,678 housing units in Brian Head, over 98% are considered vacant by the US Census Bureau.

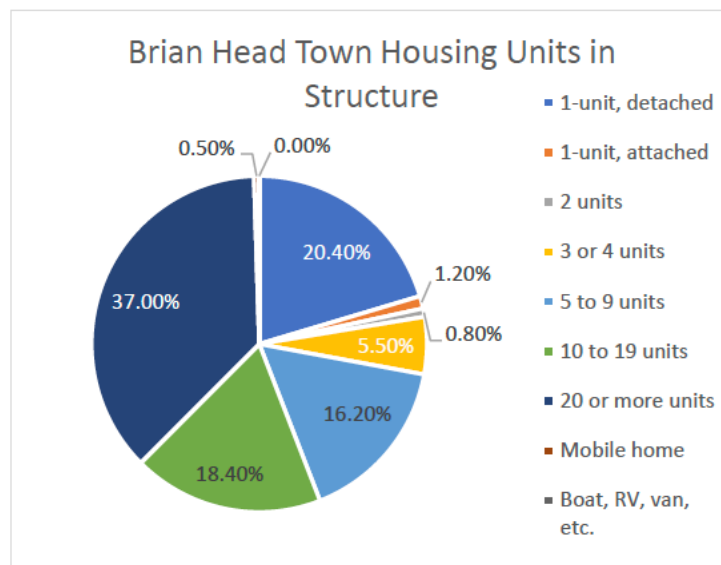


FIGURE 15: BRIAN HEAD TOWN HOUSING UNITS

- Housing is considered affordable when a household spends no more than 30% of their gross annual income on housing expenses, including mortgage, rent, and utilities.

TABLE 4: SUMMARY OF AFFORDABLE HOUSING COSTS BY INCOME LEVEL

Summary of Affordability by Income Level			
Income Level	Monthly Gross Income	Maximum Monthly Housing Expenses	Maximum Cost to Affordably Purchase a Home
<= 30% HAMFI	\$1,547	\$464	\$ 74,365.68
>30% to <=50% HAMFI	\$2,579	\$774	\$ 147,784.04
>50% to <=80% HAMFI	\$4,127	\$1,238	\$ 257,674.73
>80% to <=100% HAMFI	\$5,158	\$1,547	\$ 330,950.98

Note: Mortgage is affordable for a moderate-income earning household based on a 30-year fixed rate loan at 4.5% interest, a 20% down payment, and monthly utility payment of \$150.

- The Five County Association of Governments used a methodology to calculate the need for housing units, produced by Florida International University. The forecast uses data

from the American Community Survey table B25075 and OnTheMap tool, referencing primary job incomes from Brian Head Workers:

TABLE 6: HOUSING NEEDS ASSESSMENT FOR BRIAN HEAD WORKERS

Housing Needs Assessment for Brian Head Workers					
Income Level	Maximum Annual Income	Maximum Monthly Income	Housing Demand	Housing Supply	Housing Need
<50% HAMFI	\$30,950	\$3,333	99	0	99
>50% to 100% HAMFI	\$61,900	\$5,158	35	0	35

Source: (Perez, 2020), US Census, On The Map

2010 Town of Brian Head General Plan Recommendations

The Town has a general policy in place to pursue a workforce plan and implementation (Policy #3 in the excerpted 'Residential Recommendations' as follows):

GOAL: Promote a variety of living accommodations for both permanent and transient populations, with a mix of hotels, condominiums, and single-family dwellings that exist in harmony with the mountain environment.

Policies:

1. Provide opportunities for a larger permanent population base.
2. Promote densities that encourage permanent population and livable neighborhoods.
3. Establish an affordable housing plan and investigate the opportunity of including the plan in a regional housing authority organization.

Implementation:

- a. Create standards for dwelling units with caretaker or second unit status to establish affordable housing.
 - b. Define what constitutes a primary housing unit and establish density bonus provisions and other incentives for the development of primary housing.
 - c. Continue to develop neighborhoods integrated into recreation areas and connected with trails.
 - d. Consider regulations for single-family dwelling zones to allow duplex and triplex units where lot size permits and unit design resembles a single dwelling.
 - e. Study and impliment options for workforce housing and establish land use regulations to accommodate the demand.
 - f. Consider regulations for a medium density zone.
4. Encourage developers and homeowners to provide ample indoor storage and parking for vehicles, OHV's and other equipment to reduce yard clutter and on-street parking

Implementation:

- a. Educate homeowners on the importance of providing adequate parking and storage facilities when need may exceed the minimum requirements.
5. Encourage clustering of housing units in order to preserve important visual and environmental features (such as open space, undisturbed natural vegetation, well-head protection zone, water source protection areas, etc.).

Implementation:

- a. Establish criteria by which development may be clustered in order to preserve open space and views.

Possible Paths Forward for the Town

The Brian Head Town Workforce Housing Plan includes a number of recommendations to ensure workforce housing is built in the Town, some of which include:

- Increased density per zoning updates – zone for smaller lot sizes
- Allow Accessory Dwelling Units (ADUs) on residential properties with less than one (1) acre
- Reduce parking requirements
- Limit the number of nightly rental licenses and/or impose a new resort tax that funds future workforce housing efforts
- Inclusionary housing

It is important to remember that all of these, with the exception of the last two, are ‘reactive’ strategies that may, or may not, lead to the production of workforce housing units. They provide opportunities for workforce housing, but do nothing to incentivize it and all efforts are left to the private market – a market that has not built a single deed-restricted unit in the Town to date.

Inclusionary housing is different from the aforementioned strategies due to the fact it is typically a mandatory requirement or an incentivized voluntary option that offers increased density or increased building heights to developers.

What is inclusionary housing?

Inclusionary housing is a legal mechanism that requires developers or builders to provide some portion of new units as affordable, with affordability definitions determined by the regulating municipality. Inclusionary housing requirements can be a powerful tool to cause the private sector to deliver affordable housing units. A challenge with inclusionary housing is that because it relies on subsidies internal to a project, market conditions must be right in order for it to work. There are a number of important considerations to decide if inclusionary requirements will be workable. Among them are the type of housing being built and the required percentage of affordable units.

The Utah State Code was revised in early 2022 and essentially removed the right of a community to mandate workforce or moderate-income inclusionary housing ordinances (unless a jurisdiction had one in place prior to January 1, 2022). It does, however, allow for a mutually agreed-upon workforce housing plan with a developer (in Town or as part of an annexation proposal per an Annexation Development Agreement) or incentivized inclusionary housing ordinances:

Effective 5/4/2022

10-9a-535. Moderate income housing.

(1) A municipality may only require the development of a certain number of moderate-income housing units as a condition of approval of a land use application if:

- (a) the municipality and the applicant enter into a written agreement regarding the number of moderate-income housing units; or*
- (b) the municipality provides incentives for an applicant who agrees to include moderate income housing units in a development.*
- (2) If an applicant does not agree to participate in the development of moderate income housing units under Subsection (1)(a) or (b), a municipality may not take into consideration the applicant's decision in the municipality's determination of whether to approve or deny a land use application.*
- (3) Notwithstanding Subsections (1) and (2), a municipality that imposes a resort community sales and use tax as described in Section 59-12-401, may require the development of a certain number of moderate income housing units as a condition of approval of a land use application if the requirement is in accordance with an ordinance enacted by the municipality before January 1, 2022.*

Opportunities for density bonuses, height bonuses, and/or fast-tracked approvals or other incentives can ensure that a new inclusionary housing ordinance is successful. In fact, incentivized inclusionary housing ordinances offer a real opportunity to create public-private partnerships as communities begin to tackle the workforce housing issue.

How Are Other Resort Communities Addressing the Issue of Workforce Housing?

Most resort communities use a series of tools, rather than a single tool or strategy, to address the chronic lack of workforce housing that is associated with the foundation of their economy – specifically, service sector jobs that are often part-time and have lower wages. It's no surprise that support for workforce housing is very different than the action of actually getting it constructed. There are a number of resort communities throughout the mountain west using a variety of tools to address workforce housing. A few are outlined below:

Park City UT

- The City adopted its first housing ordinance in 1993 to incentivize, create and preserve affordable housing.
- Today, Park City has the most aggressive local inclusionary affordable housing obligation (20%) requirement in Utah. Currently, private development over ten residential units or 10,000 sf of commercial space and annexation proposals must meet the obligation using one of six tools: 1) build affordable units on site, 2) build affordable units within City limits, 3) deed restrict existing units, 4) build affordable units outside city limits but within the Park City School District Boundary, 5) convey land to the City within the Park City School District Boundary, and 6) pay an in-lieu fee. The current payment "in lieu of development" fee is \$389,700 per Affordable Unit Equivalent.
 - It is worth noting that this inclusionary housing ordinance was in place prior to January 1, 2022; prior to the revisions to the Utah Code.

- The City also allocates a line item in the annual budget to help fund affordable housing projects throughout the City.
- The City's ski resorts (Park City, Deer Valley, and Canyons which is located just outside the City's boundary) all have built affordable housing units to address the needs of their employees. Many of these units are single-room occupancy (SROs) or shared units and serve part-time employees well.

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- In 2020 a 2.9% excise tax was placed on Short-term Rentals (STRs) for an Affordable Housing Fund and the Town code was updated to include community housing guidelines and requirements.
- Any subdivider developing property that includes more than four (4) residential units shall comply with any of the following provisions:
 - The subdivider shall reserve at least sixty percent (60%) of the total number of proposed residential units in the new development annexed to the Town as local housing units. Such units shall, at a minimum, be deed-restricted to a variety of mixed-income people who earn at least eighty percent (80%) of their income in the County.
 - The subdivider shall reserve at least twenty-one percent (21%) of the total number of residential units in the development, which may be a portion of the local housing units required above, to be affordable to households earning one hundred eleven percent (111%) to one hundred fifty-three percent (153%) of the Area Median Income for Gunnison County as published by the U.S. Department of Housing and Urban Development, or the agency that publishes such a number in its place in the future.
 - As an alternative means of satisfying the required reservation of affordable housing and/or local housing units within a subdivision, as provided by this Section, the subdivider may offer to the Town a substitute percentage of affordable housing and/or local housing units to be built by the subdivider; provided, however, that nothing herein shall obligate the Town to accept such amount of substitute built affordable housing and/or local housing units. The Town shall not accept any substitute affordable housing or local housing that attempts to solve the entire affordable housing or local housing requirements by locating all units in only one (1) geographic area of a subdivision.

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- Residential Development: The number of inclusionary units required shall be fifteen percent (15%) of all new dwelling units in a residential development project shall be affordable units which shall be constructed and completed not later than the related market rate units.

- **Commercial Development:** The number of workforce housing units to be constructed and completed for a development project, shall be calculated based on a portion of the full-time equivalent employees generated by the project, in accordance with the table below:

WORKFORCE HOUSING REQUIREMENTS

Project Size	Commercial Project¹	Industrial Project¹	Employee Generation	Workforce Housing Requirement
Smallest Project	3,500 s.f. or less	7,000 s.f.	Less than 7 FTEE	Exempt
Small Project	3,501 s.f. to 9,999 s.f.	7,001 s.f. to 19,999 s.f.	Equal to or more than 7 FTEE, but less than 20 FTEE	3.5% of FTEE
Medium Project	10,000 s.f. to 19,999 s.f.	20,000 s.f. to 39,000 s.f.	Equal to or more than 20 FTEE, but less than 40 FTEE	7% of FTEE
Large Project	20,000+ s.f.	40,000+ s.f.	Equal to or more than 40 FTEE	14% of FTEE

Next Steps

There is no one-size-fits-all model when it comes to addressing workforce housing. Rather, resort communities typically deploy a series of strategies, or tools, to address the challenges associated with ensuring workforce housing is constructed. Also important is the sequencing of these actions – a step-by-step approach to roll out a tool, or set of tools, makes sense as a community begins this process.