CHAPTER 6A AFFORDABLE HOUSING

10-6A-1: PURPOSE:

The Town recognizes that full time, productive residents serve as the backbone for any community. The Town also recognizes that the Town's natural beauty and climate, combined with the Town's proximity to Zion National Park, have increased the demand for the limited land within the Town's boundaries. As a consequence, land values have steadily risen, making it difficult for residents with moderate incomes to secure housing that requires less than 30 percent of their household income. Consequently, the Town's workforce is being priced out of the local housing market. The purposes of this chapter are to create measures and guidelines to promote housing that is obtainable for households whose incomes are at or below the moderate income level as determined by Washington County, to disperse such affordable housing throughout key supporting areas of the Town, and to require the Town's largest employers to accommodate the housing needs of their employees. The Town recognizes that some combination of regulation, development incentives, and innovative planning techniques will be necessary to achieve these purposes.

10-6A-2: APPLICABILITY:

This chapter applies to all land use applications submitted to the Town of Springdale.

10-6A-3: REQUIRED AFFORDABLE HOUSING:

A. At least ten percent of the total number of lots and units in any residential development must be affordable housing units, as defined in this chapter.

B. A commercial development must include on-site employee housing for at least ten percent of the total number of FTE employees, but in no case fewer than two employee housing units. The type of employee housing may be flexible and negotiated with the Town Council. At a minimum, an employee housing unit shall include sleeping quarters and access to cooking and full bathroom facilities.

C. Previously approved projects or developments, not previously required to comply with subsections A. and/or B. of this section, but now applying to expand such that any expansion would result in the development reaching a combined total number of dwelling units or number of employees equal to the thresholds set forth in subsections A. and/or B. of this section shall be subject to the requirements of this chapter.

D. If a property owner demolishes or converts existing affordable housing unit(s) to nonresidential uses, the property owner shall replace such unit(s) with a like number of affordable housing units.

E. If the Town Council determines that it is not feasible or desirable for a developer to provide affordable housing on site because the Town has met its current affordable housing needs as defined by the affordable housing plan or current market assessment or an analysis prepared by the developer, the Town shall require either replacement housing at an alternate location within the Zion Canyon area or a fee in lieu of providing such housing. Any such fee shall be determined by resolution of the Town Council.

F. The required affordable housing component of a development shall not be included in the calculations of coverage (density) for the purposes of this title. The allowable density for any residential development will be increased by one market rate unit per affordable unit provided in the residential development, up to a maximum increase of three single-family units or lots, and a maximum increase of two multi-family units. Notwithstanding, the Town Council or its designated representative(s) may negotiate a further density

increase with the developer, but any increase must be based on the formula of one market rate unit per Affordable Unit in the residential development.

10-6A-4: GENERAL PROVISIONS:

A. *Rounding of fractions in housing calculations:* In calculating the number of dwelling units or residential building lots that are required or permitted pursuant to this chapter, fractions of 0.5 or greater shall be rounded up to the nearest whole number. For purposes of this chapter, the minimum required affordable housing units for any residential development is one.

B. *Siting and design of the affordable dwelling units or lots:* In an effort to fully integrate affordable housing within a development, the affordable housing units constructed under the provisions of this chapter shall be dispersed within the parcel of land to which the application applies. Architectural design and materials used shall be such that the affordable housing units in any development shall not be immediately distinguishable from the market rate units.

C. *Duration and requirements of affordability:*

1. *Affordable rental unit:* An affordable rental unit shall remain affordable for a period of 99 years from the time of first occupancy and shall be secured by recorded agreement and covenants running with the land, binding upon all assigns, heirs, and successors of the applicant. The Town may, as a precondition to the grant of any entitlement for any market rate unit, require the applicant to deed the affordable rental unit to the Town of Springdale, which will then deed the affordable rental unit back to the applicant subject to a reverter based on affordability covenants.

2. *Affordable ownership unit:* An affordable ownership unit shall be sold only to income qualified households for a period of 25 years. The Town may, as a precondition to the grant of any entitlement for any market rate unit, require the applicant to deed the affordable ownership unit to the Town of Springdale, which will then deed the affordable ownership unit back to the applicant subject to a reverter based on affordability covenants. Where the Town installs affordable housing on property for which it has title, subsequent sales shall be subject to a mechanism that is specified by resolution of the Town Council allowing the Town to capture a share of the appreciation when a unit is sold at market rate.

3. *Employee housing unit:* An employee housing unit shall remain available to qualified employees as long as the commercial use is maintained in a commercial development or until such time as the owner can demonstrate the housing is no longer required to satisfy the requirements of this chapter.

D. *Required documentation:* As a precondition to any final application approval, the owner(s) of an affected parcel shall deliver to the Town a duly executed covenant running with the land, in a form approved by the Town Attorney, specifically identifying the units or parcels and acknowledging their obligation under this chapter. Other documentation may be required by the Town Council as necessary to ensure affordability and quality of any units developed.

E. *Phased developments:* When the dwelling units subject to this chapter are developed in phases, or over a period of more than 12 months, a proportional amount of affordable housing units must be completed at or prior to the completion of the related market rate dwellings, or on a schedule approved by the Town Council.

F. *Unimproved lots to be sold:* In subdivisions where the applicant intends to sell the individual unimproved lots, it is the responsibility of the applicant to guarantee and arrange for the affordable units to be built.

G. *Household qualifications:* The Town Council may specify an independent agency that will implement the mechanism for qualifying households for restricted housing and general oversight of the affordable housing component of any development.

H. An affordable rental unit must be rented only to a household that has an income that is no more than 115 percent of the median income for Washington County. The total monthly rent and other charges for an affordable rental unit may not exceed 30 percent of the household's monthly income. An affordable ownership unit may be sold only to a household that has an income that is at or below the median income for Washington County. An affordable housing unit may be occupied only as a primary residence.

I. The total monthly rent and other charges for an employee housing unit may not exceed 30 percent of the household's monthly income.

10-6A-5: OPTIONAL INCENTIVES:

A developer who provides more affordable housing units than are required under this chapter may be eligible for additional incentives granted according to the specifications of chapter 13, article D, "Moderate Income Housing Development Overlay (MIHD) Zone", of this title. These optional incentives are available only if the Town Council determines that any such units are deemed necessary in furtherance of the Town's adopted affordable housing plan and/or a current market assessment.

10-6A-6: AFFORDABLE HOUSING FRAUD:

A person commits the offense of affordable housing fraud if the person does any of the following with the intent to defraud, mislead, receive unjust enrichment, or otherwise circumvent the proper application of recorded restrictive covenants or deed restrictions for affordable housing:

A. Knowingly makes any material misstatement, misrepresentation, or omission during the purchase, sale, mortgage lending process, leasing, or other process involving a deed-restricted affordable housing unit, intending that it be relied upon by a buyer, seller, mortgage lender, borrower, renter or any other party;

B. When dealing with an affordable housing unit, knowingly:

1. Participates in or facilitates the sale of any affordable ownership unit to a person whose household income is above the maximum that is imposed under this chapter;

2. Closes an escrow or facilitates a transfer of the property without fully complying with all requirements related to a transfer of the property;

3. Rents out an affordable rental unit without fully complying with the requirements set forth in the deed restrictions or this chapter;

4. Fails to occupy his or her deed-restricted affordable housing unit as his or her primary residence; or

5. Fails to provide annual certification of compliance with affordability requirements; or

6. Makes a false statement that is relied upon by the Town or by any third party that certifies the person's compliance with the affordability requirements of this chapter;

7. Received any proceeds or any consideration in connection with a sale, lease, or financing of an affordable housing unit that the person knows resulted from a violation of this section.

10-6A-7: CRIMINAL PENALTIES:

Any person violating section 10-6A-6 shall be guilty of a class B misdemeanor. Any person convicted of violating this section is disqualified from further participation in any affordability programs within the Town limits

for a period of five years following the date of such conviction; provided, however, this provision shall not be construed or interpreted to impair any existing contract to which the convicted person is a party.

10-6A-8: ENFORCEMENT:

The Springdale Police Department has authority to investigate violations of section 10-6A-6 and to issue citations.

10-6A-9: DEFINITIONS:

The following definitions apply for purposes of this chapter:

Affordable housing unit: Either an affordable rental unit or an affordable ownership unit.

Affordable ownership unit: A lot or unit that is created in accordance with this chapter that may be sold only to a household that has an income that is at or below the median income for Washington County.

Affordable rental unit: A lot or unit that is created in accordance with this chapter that is rented only to a household that has an income that is at or below the median income for Washington County.

Commercial development: A commercial development that will require 15 or more full-time equivalent employees (FTEs), including the owner/operator.

Employee housing unit: A dwelling unit that is established in accordance with this chapter as part of a commercial development.

Full time equivalents (FTE): The number of hours worked by an employee expressed as a fraction of the greater of: (a) a 2,080-hour work year, or (b) a 40-hour workweek.

Residential development: Any residential development with eight or more dwelling units.