



Memorandum

To: Planning Commission
From: Thomas Dansie, Director of Community Development
Date: February 25, 2022
Re: Housing Strategies

In the last Planning Commission work meeting the Commission expressed support for investigating the following strategies to address the issue of housing affordability in Springdale:

1. Use of the tools identified in the Town's Housing study (TDR, CLT, ADU, PID).
2. Enhanced use of deed restrictions to ensure long term housing affordability.
3. Revisions to the Town's inclusionary zoning ordinance.

Staff has met with Commissioners Kennaston and Campbell to further develop these ideas. This report summarizes the progress made on these strategies.

Tools from the Housing Study

The Commission expressed support for including a number of tools from the Town's 2019 housing study in the Town's ordinance. These include:

- Transferable Development Rights
- Community Land Trusts
- Accessory Dwelling Units
- Public Infrastructure Districts

After consulting with Commissioners Kennaston and Campbell, the Transferable Development Rights (TDR) tool appears to be the most appropriate for the Planning Commission to address¹. A basic outline for adopting a TDR ordinance follows:

1. Determine "sending" zones. There are areas the Town would like to present future development. They may include steep slopes, geologically hazardous areas, environmentally sensitive areas, or important open space candidates. Development rights will be transferred out of these areas. The Commission should consider which areas of Town are important to preserve as undeveloped and designate those as "sending" areas.
2. Determine "receiving" zones. These are areas where additional residential development could be appropriate. The development rights from the sending areas will be transferred to these receiving zones. These areas should be easily developable, well served by transportation and utility infrastructure, and in areas where additional density will not impact the character of

¹ CLTs are a potentially beneficial tool, but they do not necessarily require any land use ordinance changes to implement. The Town has recently updated our regulations for ADUs, so additional work is not necessary for that strategy. PIDs can be successful in communities with much larger developments, but they are not as beneficial with the small size of potential new developments in Springdale.

existing development. The Commission should consider where additional housing density could be located and designate those areas as “receiving” zones.

3. Decide the ratio for transfer of development rights from sending zones to receiving zones. The simplest program is one where one unit of development right transferred from a property in the sending zone results in one additional unit being allowed on a property in the receiving zone. However, the Commission can incentivize preservation of property in the sending zone by allowing multiple units in the receiving zone for each unit transferred from the sending zone. For example, one unit from the sending zone could allow 1.5 or 2 units in the receiving zone.
4. Determine what additional restrictions should be placed on both the sending property and the receiving property. Most TDR programs require a conservation easement or other type of deed restriction to be placed on the property in the sending zone to ensure it remains undeveloped in the future. Similarly, if the goal of a TDR program is to encourage more affordable housing, then deed restrictions could be placed on a portion of the additional units allowed in the receiving zone to make sure they remain affordable in perpetuity.

The Commission should discuss these four items and give staff general feedback on how to structure a TDR program.

Enhanced Use of Deed Restrictions

Deed restrictions are binding property-specific requirements for the use or development of a particular piece of property. They are enacted by recording a document at the County Recorder’s office against the property memorializing the requirements. Deed restrictions must be voluntarily agreed to by the property owner. The Town cannot impose a deed restriction on a piece of property without the owner’s consent. Because they are recorded against the property, deed restrictions are binding on all future owners of a property. Deed restrictions should have an enforcement clause written into them detailing how the restriction will be enforced.

As applied to affordable housing, deed restrictions can be placed on a property requiring the property to remain affordable for a long period of time. A deed restriction requiring affordable housing on a property should include the following:

- A limitation on the household income of the occupants of the property (usually expressed as a percentage of the [Area Median Income](#)). For example, a restriction could require the occupants of the property to have a household income of 80% or less of the Washington County AMI.
- A requirement that the rent / mortgage charged is affordable to the occupants. By industry adopted standards, to be “affordable” the total housing costs (rent / mortgage, insurance, utilities) cannot be more than 30% of the households gross income.
- A requirement for the property owner to provide annual documentation to the Town that the above standards are being met.
- A time period which the restriction applies to. Owner-occupied affordable housing is typically deed restricted for 15 to 25 years. Rental affordable housing is deed restricted for as long as 99 years.

- A process to enforce the above provisions and penalties for violation of these requirements.

As mentioned above, deed restrictions must be voluntarily placed on a property by the property owner. The Town cannot impose a deed restriction on a property without consent. The Commission should discuss under what circumstances the Town could require an owner to place an affordable housing deed restriction on the property. For example, the Town could require deed restricted affordable housing:

- In conjunction with development of affordable units in the “receiving” zone of a TDR program.
- For any affordable housing constructed under the [Moderate Income Housing Overlay Zone](#).
- For any affordable housing constructed under the requirements of an inclusionary zoning ordinance (see below).
- For any employee housing that qualifies for an impact fee deferral.
- For any employee or affordable housing approved through a development agreement or zone change.

In addition to requiring deed restrictions in the circumstances listed above, some municipalities have experimented with purchasing deed restrictions on properties. A municipality pays a property owner an amount in exchange for that property owner placing an affordable housing deed restriction on the property. See the [Vail Indeed](#) program for an example.

The current language in the Town Code addressing the requirements for deed restricted affordable housing is general and not well detailed. The Commission should discuss the above details and give staff direction on key points to include in the ordinance to strengthen the existing language and ensure future affordable housing is associated with effective deed restrictions.

Revisions to Inclusionary Zoning Ordinance

[Section 10-6A-3](#) requires developers to provide affordable or employee housing as a condition of approval for new development. This regulation is a form of an “inclusionary zoning ordinance.” The Town’s current² inclusionary zoning ordinance requires all residential developments to dedicate 10% of the units in the development as affordable. It also requires commercial establishments with more than 15 full time employees to provide housing for at least 10% of their employees.

This provision is difficult for the Town to administer since we do not have good data on the number of full time employees in each business, and because new residential housing developments are quite rare.

An alternative approach is to require all new commercial and residential development to contribute to providing affordable housing. Grand County, Utah recently adopted an ordinance requiring transient lodging development and new residential development (including single family homes) to pay an affordable housing fee, based on the square footage of the new development. The fee amount was

² This ordinance was updated in 2021. Previously it applied to residential developments of 20 or more units, and commercial establishments with more than 25 full time employees.

determined after an in-depth study of the impact of each type of development on the demand for additional affordable housing in the County. The Town could adopt a similar model. Instead of requiring affordable housing once certain thresholds have been met, each new development could contribute an incremental cost to provide additional housing.

The Commission should discuss options for revisions to the Town's inclusionary zoning ordinance and give staff direction on possible revisions.