



**Memorandum**

**To:** Planning Commission  
**From:** Thomas Dansie, Director of Community Development  
**Date:** July 1, 2022  
**Re:** Workforce Housing Overlay Zone

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The Planning Commission reviewed a draft outline for a proposed workforce housing overlay zone in the June meeting. The Commission gave staff direction regarding modifications to the proposed overlay zone. The Commission also requested the Town's housing consultant review the outline and provide insight on actual construction costs and construction feasibility. The Commission directed staff to bring a revised version of the ordinance back to the Commission.

The attached draft includes the revisions the Commission requested and those based on the housing consultant and housing committee's input. These revisions are highlighted in the attached draft and are summarized below:

***Allowable Uses***

Based on analysis by the housing consultant and the housing committee, it is neither economically feasible for developers to build nor beneficial for the Town's workforce to have access to single family residences. Therefore, the option to build single family homes in the workforce housing overlay zone has been removed from the ordinance.

***Appropriate Locations for Workforce Housing***

In the last meeting the Commission discussed what areas of the Town are appropriate for the increased density associated with workforce housing. While the commercial zones are appropriate for more density, there is no need to apply the workforce housing overlay zone to commercial zones because the commercial zones already allow the same or greater density than what is proposed in the workforce housing zone. Therefore, the workforce housing zone would only be beneficial if applied to a residential zone. The Commission discussed if both the Foothill and Valley Residential zones would be appropriate for workforce housing, or only the Valley Residential zones. The Commission did not come to a clear consensus on this point in the last meeting.

Rather than only looking at the zoning designation of the property to determine if it is appropriate for the workforce housing overlay zone, staff suggests the Town should consider the specific setting and context of the property. This analysis should be done in light of the nature and extent of the proposed development on the property to determine whether or not the workforce housing overlay zone is appropriate. Staff has developed a set of Zone Change Criteria in the proposed ordinance that are intended to guide a decision whether or not a specific property is appropriate for the workforce housing overlay zone. Staff feels this will allow the Town more discretion, control, and flexibility with regard to where the overlay zone can be applied.

### ***Building Size***

The Commission discussed the proposed maximum building size allowances for the different types of development (SFR, duplex, multi-family) in the last meeting. The Commission felt the building size limits for single family and duplex structures were too large. As noted above, single family homes have been removed from the ordinance. Duplex building size has been reduced to 3,000 square feet.

### ***Buffering***

The Commission requested additional detail on buffering and screening requirements for workforce housing developments adjacent to residential properties. Staff has added additional language and standards to this section. Because approval of the workforce housing overlay zone is a legislative process the Town has the ability to analyze the buffering on each application on a case by case basis. Through a legislative approval the Town can apply site specific requirements for buffering and screening that respond to the unique screening needs of each property.

The language in the proposed outline is intended to set a minimum level of performance standard and allows the Planning Commission and Town Council to negotiate with property owners on how to achieve that standard. The specific requirements for screening that will be required to meet those minimum standards can then be enacted as binding regulations specific to that property through the zone change approval.

### ***Restrictive Covenant***

The Commission asked for more detail on what could be included in a restrictive covenant that would run with the workforce housing zone property. Working with the Town's housing committee, staff has drafted a proposed restrictive covenant template for workforce housing. It is based on restrictive covenants governing workforce housing in other resort communities and is attached to this report for the Commission's review.

Staff notes this restrictive covenant could also act as a template for workforce housing developed through other channels, and not just workforce housing approved as part of the workforce housing overlay zone.

### ***Financial Analysis***

The Commission requested a financial analysis of the feasibility to construct a workforce housing project under the regulations in the proposed ordinance. The Town's housing consultant and housing committee have been working on this analysis. The housing committee has not yet completed the analysis. The committee will produce a full report for the Commission in the next meeting.

Preliminary results from this analysis suggest it would not be financially feasible to construct single family residences in the workforce housing overlay zone that Springdale employees could realistically afford based on projected rental rates. However, it could be feasible to construct multi-family units and rent them at rates between \$1,500 and \$1,700 per month. This rent rate is more than the rents associated with income-restricted affordable housing, and less than estimated market rate rents. The

housing committee will continue to refine this financial analysis and provide more information to the Commission.

A copy of the updated draft workforce housing zone outline and a copy of a proposed template for a restrictive covenant are both attached. Staff anticipates receiving direction from the Council on revisions to these documents.

## WORKFORCE HOUSING ZONE - DRAFT OUTLINE

**Purpose:** To provide more attainable housing options for employees working in Springdale and Zion National Park.

**Allowable Uses:** The following uses are allowed in the workforce housing zone:

- Duplex and multi-family housing.
- Commercial uses, including transient lodging, are not permitted in the workforce housing zone.

**Active Employment Requirement:** At least 75% of the dwelling units in a development in the workforce housing zone must be occupied by households where 50% of the adults in the household work:

- 1) within the municipal boundaries of the Town of Springdale or in Zion National Park,
- 2) for an employer whose primary business location is in the Town of Springdale or Zion National Park,
- 3) for at least 30 hours per week during at least nine months per year.

**Allowed Density:** The maximum allowable density in the workforce housing zone is:

- 1) Eight units per acre if the property is developed with duplexes.
- 2) Twelve units per acre if the property is developed with multi-family residential.

*(NOTE: single family residences removed)*

Areas of 30% and greater natural grade and areas in floodways are not included in determining the maximum allowable density.

**Deed Restriction and Compliance:** The property owner must record a restrictive covenant in the Washington County Recorder's Office that stipulates at least 75% of the units in the development will be occupied by households meeting the active employment requirement.

The property owner must submit a report to the Town on July 1 of each year certifying that the deed-restricted units are occupied by households meeting the active employment requirement.

Failure of the property owner to submit the report, or failure of the property owner to ensure 75% of the units are occupied by active employment households, will result in penalties which could include:

- 1) Monetary fines.
- 2) Forfeit of any rental revenue received from renting units in violation of the standards of this ordinance.
- 3) Liens placed on the property.

**Zone Change Criteria:** In addition to the Town's general policy regarding zone changes in section 10-3-2, the Planning Commission and Town Council shall evaluate all requests for the Workforce Housing Overlay Zone according to the following criteria.

- 1) The property where the workforce housing zone is proposed is large enough to accommodate the proposed workforce housing development, associated parking and other development, and comply with all land use and development standards in a manner that is consistent with the Town's village character, as defined in the General Plan.
- 2) Proposed development on the property will not be located on a hilltop, ridgeline, or the edge of a mesa.
- 3) The property where the workforce housing zone is proposed has sufficient vehicular access to accommodate the increased vehicular traffic the proposed development is projected to generate.
- 4) Recognizing that the intent of the workforce housing overlay zone is to allow residential development at greater density than what is otherwise allowed in the residential zones, the proposed development on the property will not significantly detract from the character of the surrounding properties in terms of loss of viewshed, loss of privacy, or other similar impacts.

**Use Limitations:** The following use limitation standards apply to property in the workforce housing zone:

- 1) Transient lodging is not allowed. Units must be occupied by the same household for periods of 90 consecutive days or more.
- 2) Units in the workforce housing zone must be available on the open market to the general public, as long as they meet the active employment standard. Housing that is contingent on a person's employment at a particular business is not allowed in the workforce housing zone.
- 3) The entire property where a workforce housing zone project is located must be under single ownership. All housing units in the workforce housing zone must be rental units. Subdividing property in the workforce housing zone and/or conveying an individual unit in the workforce housing zone to another owner is not allowed.

**Development Criteria:** All projects in the workforce housing zone must conform to the following standards:

- 1) Setbacks: 40' front, 15' sides, 15' rear.
- 2) Building height: 18' if within 50' of SR9, 26' otherwise.
- 3) Building size: Duplex: max 3,000 sf. Multi-family: max 6,000 sf.
- 4) Landscape: 50% of property required to be landscape or natural open space.
- 5) Parking: All parking must be located to the side or rear of buildings. No parking allowed between a building and SR9.
- 6) Buffering: When adjacent to another residential zone, the project must include screening and buffering to protect the privacy and enjoyment of existing development on the adjacent residential property. Such buffering may include solid fencing, vegetative screening, and increased setbacks as determined necessary by the Planning Commission and Town Council.

## WORKFORCE HOUSING RESTRICTIVE COVENANT

### RECITALS

**Whereas**, the undersigned Owner holds fee ownership interest in property located at \_\_\_\_\_, Springdale, UT and more specifically described in the legal description in Attachment A; and

**Whereas**, in furtherance of the Town of Springdale's goal of providing workforce housing to qualified households who work in Springdale or Zion National Park and who will occupy the housing as their primary residence, the Springdale Town Council placed the property in the Workforce Housing Overlay zone on \_\_\_\_\_; and

**Whereas**, Owner consents to all the restrictions on use of the property for workforce housing contained in this restrictive covenant and declares that property shall be bound by these restrictions in perpetuity, subject to the provisions of this document; and

**Whereas**, Owner intends for these same restrictions to bind future Owners, successors, and assigns;

**Now therefore**, in satisfaction of the conditions set forth in the Workforce Housing Overlay zone in the Springdale Town Code, and in consideration of the foregoing recitals, which are incorporated in this this document by reference, Owner hereby declares, covenants, and agrees for itself and each and every person acquiring ownership of the property that the property shall be used, occupied, developed, and transferred subject to the following restrictions in perpetuity.

#### **Section 1. Duration.**

1.1. The restrictions in this document shall be binding on the property in perpetuity. However, after a minimum of 25 years from the date a certificate of occupancy is issued for the development allowed by the Workforce Housing Overlay zone approval, the Town Council may elect to modify or remove certain provisions of this restrictive covenant. Any such modifications or removals shall:

- 1) Be based on the findings of a housing needs assessment performed by a credible third party approved by the Town Council with expertise in workforce housing, and
- 2) Be designed to more effectively accommodate the housing needs of Springdale's workforce, and
- 3) Promote the Town's housing goals as stated in the then current General Plan.

#### **Section 2. Qualified Households must Occupy Workforce Housing Units.**

2.1. At least \_\_\_\_\_ dwelling units on the property (which is equal to or greater than 75% of the total number of dwelling units on the property) shall be occupied by Qualified Households.

- 1) A Qualified Household is one where at least 50% of the adults in the household are actively employed by a business or organization whose primary physical location is within the municipal boundaries of the Town of Springdale or within the boundaries of Zion National Park.
- 2) To be “actively employed” a person must work for the business or organization for at least 30 hours per week, for at least nine months of the calendar year.
- 3) A person may work for multiple businesses or organizations to meet the minimum hours per week and months per year standards, as long as all the businesses or organizations meet the requirements described in this section.

2.2. In order to be considered a Qualified Household no member of the household may own real residential property anywhere in Washington County, Utah.

2.3. For the purposes of this restrictive covenant, units which are required to be occupied by Qualified Households are “Workforce Housing Units.”

2.4. Owner has designated the following dwelling units as Workforce Housing Units:

*Insert Description of Units*

2.5. An Owner who employs workers in the Town of Springdale or Zion National Park may give preference to its own employees to occupy the Workforce Housing Units. However, in no case shall occupancy of the Workforce Housing Units be contingent in any way on continued employment with the owner’s business or organization.

2.6. A person who is retired may occupy a Workforce Housing Unit if:

- 1) The person has met the active employment criteria for Qualified Households for at least eight of the ten years immediately preceding the person’s retirement, and
- 2) The person enters into a lease for the Workforce Housing Unit within one year of retirement.

### **Section 3. Restrictions on Use of Workforce Housing Units.**

3.1. Workforce housing units must be occupied by a Qualified Household as its primary residence. Qualified Households may not sub-lease a Workforce Housing Unit for any duration of time.

3.2. The minimum lease period for a Workforce Housing Unit is six months.

- 1) The lease agreement for a Workforce Housing Unit must include a clause that states the lessee understands the active employment criteria for Qualified Households and that the lessee acknowledges it meets these criteria.
- 2) The Owner must provide a copy of all lease agreements to the Town within 15 days of the lease agreement being executed.
- 3) If at any point during the lease the lessee no longer meets the criteria to be a Qualified Household, the lessee must vacate the Workforce Housing Unit within 90 days. If the 90 day period extends beyond the end of the lease period, the Owner may allow the lessee to continue

to occupy the Workforce Housing Unit on a month to month lease basis until the 90 day grace period has expired.

3.3. The maximum number of unrelated persons who may occupy a workforce housing unit is:

- 1) Two, if the unit is a one-bedroom unit or studio.
- 2) Three, if the unit is a two-bedroom unit.
- 3) Four, if the unit contains more than two bedrooms.

3.4. If authorized by the Owner, a Qualified Household may allow invited non-paying guests to occupy a Workforce Housing Unit on a limited basis, provided the number of nights that guests stay in the unit is less than 10% of the total number of nights in the term of the lease.

3.5. A Workforce Housing Unit may not be used for transient lodging in any way.

#### **Section 4. Other Requirements.**

4.1. The Owner must submit annual documentation to the Town of Springdale on or before July 1 of each year demonstrating the Workforce Housing Units have been and are currently occupied by Qualified Households. This documentation must include:

- 1) The names of all persons occupying each Workforce Housing Unit.
- 2) Affidavits from the employers of all persons claiming to meet the actively employed criteria for a Qualified Household that include the employee's name, number of hours per week the employee works at the business, number of months of the year the employee is employed at the business, and the business owner or manager's name submitted on the business or organization's letterhead.

4.2. The Owner must retain the documentation described in section 4.1 for a minimum period of five years.

4.3. The Owner must maintain the property in a state of good repair at all times. Specifically, the Owner must:

- 1) Ensure the property is free from weeds and the accumulation of trash, junk, and other debris.
- 2) Provide adequate parking for all tenants and ensure that all tenants park in approved parking spaces that meet Springdale Town Land Use standards.
- 3) Require tenants to store personal property within an enclosed structure, except that large items such as bikes or other outdoor recreational equipment may be stored in an organized manner outside if screened from view from neighboring properties.
- 4) Ensure all structures on the property are maintained to provide a safe and sanitary living environment for tenants.

**Section 5. Restrictions Run with the Property.**

5.1. The standards, requirements, and restrictions contained in this restrictive covenant run with the property and are binding on all future owners of the property.

**Section 6. Enforcement.**

6.1. The Town of Springdale shall have the right to enforce this restrictive covenant on the property. Owner authorizes the Town to take all necessary actions to compel compliance with the standards, requirements, and restrictions contained in this restrictive covenant, including those actions specified below.

6.2. In the event the Town of Springdale documents a violation of this restrictive covenant has occurred, the Town shall notify the Owner in writing of the specific violation and give the Owner 15 days to fully correct the violation and bring the property into compliance with the provisions of this restrictive covenant. If the violation is not corrected within that time, the Town shall be entitled to daily penalties of \$500 per day until the violation is corrected.