

# Agenda

# GRAND COUNTY Planning Commission

**MEETING DATE CHANGE** – Thursday, November 17, 2016

**6:00 P.M. Regular Meeting**

**Grand County Courthouse**

**Council Chambers**

**125 E Center, Moab, Utah**

<b>Type of Meeting:</b>	Regular Meeting
<b>Facilitator:</b>	Dave Tubbs, Chair
<b>Attendees:</b>	Planning Commissioners, interested citizens, and staff

## 6:00 PM

Citizens to be heard *Chair*

*Staff*

<b>Public Hearing and possible Action Item</b>	<b>Public Hearing</b> – to solicit public input on a proposed land use code amendment requiring new residential and commercial developments include an affordable housing set-aside (i.e. assured housing).	<i>Staff</i>
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<b>Public Hearing and possible Action Item</b>	<b>Public Hearing</b> – to solicit public input on a proposed land use code amendment removing “residential units used for overnight accommodations” as permitted uses in the Highway Commercial (HC) zone district (Table 3.1 – Permitted Uses).	<i>Staff</i>
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<b>Action Item</b>	Approval of October 27, 2016 Meeting Minutes	<i>Chair</i>
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Future Considerations *Chair*

Community Development Updates *Staff*

County Council Update – Mary McGann *Council Liaison*

**ADJOURN**

## DEFINITIONS:

**Public hearing** = a hearing at which members of the public are provided a reasonable opportunity to comment on the subject of the hearing.

**Public meeting** = a meeting required to be open to the public pursuant to the requirements of Title 52, Chapter 4, Open and Public Meetings; the public may or may not be invited to participate.

**Legislative act** = action taken by the County Council or Planning Commission; amending ordinances, adopting general plan, Annexations, zoning and rezoning; a reasonable debatable action that could promote the general welfare of the community.

**Administrative act** = action taken by the Planning Commission, County Council or staff interpreting ordinances and regulations, conditional uses, approving subdivision, site plans, issuing building permits; an administrative decision must satisfy the requirements prescribed under state law or the County Land Use Code, whichever is stricter.

**AGENDA SUMMARY  
GRAND COUNTY PLANNING COMMISSION  
November 17, 2016**

<b>TITLE:</b>	Assured Housing
<b>FISCAL IMPACT:</b>	N/A
<b>PRESENTER(S):</b>	Zacharia Levine, Community Development Director

**Prepared By:  
ZACHARIA LEVINE  
GRAND COUNTY  
COMMUNITY  
DEVELOPMENT  
DIRECTOR**

**FOR OFFICE USE ONLY:**

**Attorney Review:**  
  
PENDING

**STATED MOTION :**

I move to provide a favorable recommendation to the County Council on adopting the assured housing ordinance.

**STAFF RECOMMENDATION:**

The Community Development Director recommends adoption of the proposed ordinance.

**BACKGROUND:**

See staff report

**ATTACHMENT(S):**

Staff Report  
Draft ordinance



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## **STAFF REPORT**

**MEETING DATE:** November 17, 2016

**TO:** Grand County Planning Commission  
**FROM:** Community Development Department *Staff*  
**SUBJECT:** Assured Housing

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### **STAFF RECOMMENDATION**

The Community Development Director recommends adoption of the assured housing ordinance.

### **BACKGROUND**

Staff drafted an assured housing ordinance based on current housing, demographic, and economic data, workshops with the Planning Commission and County Council, input from the Interlocal Housing Task Force, feedback from community members, experiential learning in similar communities, and the best available policy information in the planning professional community. The draft ordinance has been sent through the County Attorney's office for legal review, which is still pending. The ordinance as drafted will not go to Council until legal review is received.

A redlined version of the ordinance reflecting changes discussed during the October 27 planning commission meeting is provided.

### **ATTACHMENTS**

1. Summary of Assured Housing Ordinance
2. Draft Assured Housing Ordinance

## **DRAFTED FOR DISCUSSION**

**WHEREAS, the purpose of this ordinance is to:**

- A. Encourage the development and availability of housing that is affordable to a broad range of households with varying income levels within the County;
- B. Promote the County's goal to add affordable housing units to the County's housing stock in proportion to the overall increase in new jobs and housing units;
- C. Offset the demand on housing that is created by new development, local economic conditions, and high external market demand;
- D. Promote jobs-housing balance and reduce the demands placed on transportation infrastructure in the region;
- E. Actualize the affordable housing goals and policies identified in the Grand County General Plan, which includes an Affordable Housing Plan;

**WHEREAS, the County Council finds and determines:**

- A. The Moab Area, which includes the City of Moab, Town of Castle Valley, and unincorporated areas of Grand County, faces a serious housing problem that threatens its economic security, quality of life, and environment. The extreme lack of access to affordable housing has a direct impact upon the health, safety, and welfare of residents of the County. While no single housing program will solve all of the Area's needs, an assured housing policy has been identified as one solution among a broader set of solutions;
- B. Nearly 1,000 households earning less than 80 percent (80%) of the Area Median Income (AMI) in Grand County are currently cost-burdened, which means they spend more than 30 percent (30%) of their combined gross annual income on housing costs. This segment of Grand County represents 25 percent (25%) of all Grand County households. Over 400 households earning less than 80 percent (80%) of AMI are severely cost-burdened, which means they spend more than 50 percent (50%) of their income on housing. This segment of Grand County represents 11 percent (11%) of all Grand County households<sup>1</sup>;
- C. Of the cost-burdened households in Grand County, 52 percent (52%) earn less than half of AMI. Of the severely cost-burdened households, 89 percent (89%) earn less than half of AMI<sup>2</sup>. The lack of housing choices disproportionately affects lower-income households, many of which are essential to the area's tourism-based economy.
- D. The gap between wages and housing costs is large and growing. In May 2015, the median list price for all housing types was \$290,000<sup>3</sup>. Utilizing a ~~non~~conventional loan, a family of four earning the 2015 HUD area median income (\$55,300 per year) could afford to purchase a home that cost \$193,258. That represents an affordability gap of almost \$100,000<sup>4</sup>. Although renting appears to be more affordable, few rental opportunities

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<sup>1</sup> US Census Bureau

<sup>2</sup> *Ibid*

<sup>3</sup> Grand County Multiple Listing Service and Zacharia Levine

<sup>4</sup> Zacharia Levine

exist within the Grand County housing market. The vacancy rate is often below 5 percent (5%)<sup>4</sup>. The median rental price for all housing types was \$850; when including utilities, median rental costs were \$1100<sup>5</sup>.

- E. External market demand continues to increase housing prices and limit or reduce the inventory of affordable housing. Between 2000 and 2010, the number of housing units for short-term rentals, second homes, or general investment doubled. The share of all housing units that are not occupied as primary residences increased from 15 percent (15%) in 2000 to nearly 30 percent (30%) in 2013<sup>6</sup>.
- F. New construction in Grand County is out of reach for households earning moderate-incomes or less. However, existing structures often require extensive maintenance or may be dilapidated. In Grand County, roughly 60 percent (60%) of the owner-occupied housing units and 50 percent (50%) of the renter-occupied housing units were constructed before 1980<sup>7</sup>.
- G. Development of new service-industry projects encourages more tourist visitation; development of market-rate housing encourages new residents to move to Grand County. Increased visitation and new residents place additional demands on services provided by both the public and private sectors. Of the public and private sector employees needed to meet this increased demand for commercial and residential services, a significant portion will earn incomes that make below market-rate housing the only accessible option. Because affordable housing is in short supply within the City, these employees may be forced to live in less than adequate housing within the County, pay a disproportionate share of their incomes to live in adequate housing within the County, or commute ever-increasing distances to their jobs from housing located on the outskirts of the County, or beyond. These circumstances harm the County's ability to provide high levels of service, attain goals articulated in the General Plan, and preserve a high quality of life for residents;
- H. The citizens of Grand County desire a well-planned and balanced community, with housing options that are affordable and accessible to very low-, low-, and moderate-income households. Affordable housing should be available throughout the County with rental and ownership options. While mixed-income developments are desirable as they support economic integration, the Grand County Council acknowledges that affordable housing built in conjunction with market-rate housing can be achieved either on-site or off-site with respect to the principal project and still achieve the stated goals of this ordinance. The Council also finds that in certain limited circumstances, a developer may also meet the intent of this ordinance through other alternatives as further described below;
- I. State and federal funds for the construction of new affordable housing are insufficient to fully address the current and projected shortages of affordable housing within the County. While the County has repeatedly amended its Land Use Code (LUC) to spur additional housing development, the private market has not provided adequate housing opportunities to very low-, low-, and moderate-income households;
- J. The Interlocal Housing Task Force (IHTF), of which the County is a member and which is charged with evaluating current and future housing trends, reviewing housing programs, and recommending appropriate affordable housing policies, has submitted several recommendations, including the adoption of an assured housing ordinance;
- K. The need for an assured housing ordinance outweighs the potential impacts on the cost of market-rate housing. The County has determined that the community's best interests are served through the adoption of an assured housing ordinance;

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<sup>5</sup> US Census Bureau

<sup>6</sup> US Census Bureau

<sup>7</sup> *Ibid*

**WHEREAS**, the Planning Commission is statutorily responsible for making recommendations to the County Council regarding textual amendments to the LUC;

**WHEREAS**, the Grand County Planning Commission held a public hearing on \_\_\_\_\_, 2016 to solicit public comment on a draft assured housing ordinance and recommended approval to the County Council; and,

**WHEREAS**, the Grand County Council held a public hearing on \_\_\_\_\_, 2016 to solicit public comment on a draft assured housing ordinance and voted to approve said ordinance;

**NOW, THEREFORE BE IT RESOLVED**, Section 6.14 of the Grand County LUC shall read:  
Section 6.14 Affordable Housing Standards

- A. The standards of this Section shall apply to:
1. Any commercial development that creates ten (10) or more full-time equivalent positions, and as further specified in Section 6.14.D.
  2. Any residential development that creates five (5) or more separate dwelling units or separate parcels of land, and as further specified in Section 6.14.E.
- B. As used in this Section, the following terms shall have the following meanings:
1. Affordable Rent = Annual rental housing costs, including rent, utilities, and HOA fees where applicable, that amount to 30 percent (30%) or less of a household's combined gross annual income.
  2. Affordable Ownership = Annual housing ownership costs, including mortgage, taxes, utilities, and HOA fees where applicable, that amount to 30 percent (30%) or less of a household's combined gross annual income.
  3. Alternative Housing Proposal = A proposal to build deed-restricted affordable housing units in lieu of paying a fee on commercial development as provided in Section \_\_\_\_\_.
  4. Area Median Income (AMI) or Median Family Income (MFI) = Combined gross annual median household income as defined by the Department of Housing and Urban Development (HUD), which is based on household size.
  5. Assured Housing Agreement = A written agreement between the County and a developer as provided by Section \_\_\_\_\_.
  6. Assured Housing Requirement = A statutory affordable housing requirement for a residential or commercial development submitted by a developer as provided by Section \_\_\_\_\_.
  7. Assured Housing Unit or Affordable Housing Unit = A dwelling unit that must be offered at affordable rent or available at an affordable ownership cost to very low-, low-, and moderate-income households as further defined in an assured housing agreement.
  8. Bedroom = A room designed to be used for sleeping purposes and which contains closets and meets all applicable County Building Code requirements for light, ventilation, sanitation and egress.
  9. Commercial Development = the construction of any commercial or industrial project, as defined by Section 3.1 of the LUC, for which a development application or building permit application was received after \_\_\_\_\_, 2016.

10. Consumer Price Index or CPI = The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI is produced by the United States Department of Labor, Bureau of Labor Statistics.
11. County = Grand County.
12. County Council = Grand County Council, or its designee.
13. County Engineer = Grand County Engineer of Record.
14. Deed Restriction = A contract entered into between Grand County and the owner or purchaser of real property identifying the conditions or occupancy and resale.
15. Department of Housing and Urban Development or HUD = The United States government department responsible for setting income limits and maximum housing costs for affordable housing programs.
16. Developer = Any person, firm, partnership, association, joint venture, corporation, or any entity or combination of entities, which seeks County approvals for all or part of a residential or commercial development.
17. Full-time Employee Equivalent or FTE = The number of full-time employees needed to operate a commercial development while working 2080 hours per year.
18. Homeowners Association or HOA = An entity established to maintain any physical facilities, structures, improvements, systems, areas or grounds held in common by the owners of residential lots in the Subdivision and necessary or desirable for the welfare of the area or Subdivision, or that are of common use or benefit and that are not maintained by the County or another public agency.
19. Household = One person living alone, two (2) or more individuals related to each other by blood, marriage, or another legally recognized relationship, or a maximum of three (3) unrelated individuals residing in the same residence whose combined income is considered for affordable housing eligibility.
20. Household Income = Combined gross annual income of all individuals who will be occupying the unit regardless of legal status. Adjustments to the gross annual income for business expenses can be made for persons who are self-employed.
21. Low-Income Household = A household whose combined gross annual income amounts to between 50 percent (50%) and 79.99 percent (79.99%) of area median income.
22. Market-Rate Unit = A dwelling unit that is not an affordable housing unit.
23. Moderate-Income Household = A household whose combined gross annual income amounts to between 80 percent (80%) and 119.99 percent (119.99%) of area median income.
24. Off-Site Unit = An assured housing unit that will be built separately or at a different location than the principal development.
25. On-Site Unit = An assured housing unit that will be built within the principal development.

26. Residential Development = the construction of any residential project, as defined by Section 3.1 of the LUC, for which a development application or building permit application was received after \_\_\_\_\_, 2016.
27. Very Low-Income Household = A household whose combined gross annual income is less than 50 percent (50%) of the area median income.

C. Exemptions

1. The following developments are exempt from the requirements of this section:
  - i. The reconstruction of any structures that have been destroyed by fire, flood, earthquake or other act of nature provided that the reconstruction of the site does not increase the number of residential units by more than six or increase the interior floor area of a non-residential structure by more than 4,999 square feet.
  - ii. Developments that already have more units that qualify as affordable to low-, very low-, and moderate-income households as this section requires.
  - iii. Housing constructed by other government agencies.

D. Assured Housing Requirements for Commercial Development

1. The Developer shall be required to mitigate 25 percent (25%) of the employees generated by the development. For projects with a commercial component, the minimum affordable housing requirements shall be determined according to the following formulas:

**Employee Generation by Type of Use**

<b>Type of Use</b>	<b>Full-Time Equivalents (2080 hours) per 1,000 net leasable square feet</b>
Restaurant/bar	6.5
Education	2.3
Finance/banking	3.3
Medical profession	2.9
Other professional services	3.7
Personal services	1.3
Real estate/property management	5.9
Commercial/retail	3.3
Recreation/amusements	5.3
Utilities	2.9
Lodging/hotel	0.6/room
Condominiums/residential structures used for short-term rentals	Greater of lodging/hotel calculation or residential mitigation rate
Overall/general	4.4

2. The overall/general type of use shall apply to any use not listed in the Employee Generation by Type of Use table, unless an independent calculation is performed and approved.
3. Partial affordable housing units shall be rounded up to the nearest whole number.
4. Affordable housing units required for commercial developments may, with Council approval, be constructed as dormitories that accommodate multiple employees within one unit.
  - i. When utilizing this provision, one affordable housing unit shall be the equivalent of 250 square feet of net livable space with a maximum of 1000 square feet, or four affordable housing units.

**Commercial Development Example**

A developer has received approval for 20,000 square feet of commercial space and 100 hotel rooms.

The commercial uses include:

- 10,000 square feet of retail space
- 5,000 square feet of restaurant/bar space
- 5,000 square feet of professional services

Employee generation calculations (144 total FTEs)

- Retail = 10,000 sq. ft. x (3.3 employees/1,000 sq. ft.) = 33 employees
- Restaurant/bar = 5,000 sq. ft. x (6.5 employees/1,000 sq. ft.) = 32.5 employees
- Professional services = 5,000 sq. ft. x (3.7 employees/1,000 sq. ft.) = 18.5 employees
- Hotel/lodging = 100 rooms x (0.6 employees/room) = 60 employees
- Total employee generation = 144 FTEs

\*>10 FTEs generated triggers the assured housing requirement

Assured housing requirement

- 144 (FTEs) x 0.25 (mitigation rate) = 36 FTE mitigation number
- 36 FTEs ÷ 1.5 (FTEs/household) = 24 affordable housing units
- If utilizing the dormitory/multifamily residential option, 24 affordable housing units is equivalent to 6 affordable housing unit equivalents (at 4 employees/1000 sq. ft.)

E. Reduction of Employee Generation for Institutional/Nonprofit Use

1. The County Council may reduce the base employee generation rate by up to fifty percent for uses that are non-commercial or non-residential in nature, which provide educational, social or related services to the community and which are proposed by public agencies, nonprofit agencies, foundations and other similar organizations upon finding that the benefits/impacts of such development as they relate to other general plan goals and/or action items outweigh the housing impacts.

F. Independent Calculation

1. An applicant may submit an independent calculation of the number of employees to be generated by a proposed development, to be used in place of the Employee Generation Table. The independent calculation shall be accepted by the County Council if the Council determines the calculation constitutes compelling evidence of a more accurate calculation of employee generation than the Employee Generation by Type of Use table. Should the independent calculation not be accepted, then the applicable employee generation factor from the Employee Generation by Type of Use table shall be applied to the proposed development. Any acceptance of an independent calculation shall be site- and use-specific, non-transferable, and be memorialized in an assured housing agreement the property owner and the County. Such Agreement shall be executed prior to the issuance of any building permit.

G. Redevelopment: Additions and Conversions of Use

1. Redevelopment or remodeling in an existing use or the change in use from one use to another is exempt from the requirements of this Section, provided such activity does not create additional employment generation as determined in the Employee Generation by Type of Use table. Only the uses and areas that existed prior to the redevelopment or remodeling shall be exempt from the requirements of this section. Any new area or unit or any change in use which creates additional employee generation as determined in the Employee Generation by Type of Use table shall be subject to this provisions of this section. Mitigation shall be required for the employees generated by the proposed total square footage (including addition) minus the employment generation of the total structure. If the developer converts one land use to another with higher employment generation rates, the mitigation will be based on the increase in FTEs. For example, a conversion of a 1,000 square foot retail establishment with an employee generation rate of 3.3 FTEs per 1,000 square feet to a private club with a generation rate of

6.5 FTEs per 1,000 square feet results in a net increase in 3.2 FTEs and would require additional mitigation.

H. Assured Housing Requirements for Residential Development

1. For projects where units are offered for sale or rent, the Developer shall provide affordable housing units in an amount equal to 20 percent (20%) of the total residential units constructed. Affordable units developed on-site in fulfillment of this requirement shall not be included in (i.e. counted against) the maximum density limits for the project.

~~1.2.~~ For projects where developable parcels of land are offered for sale, the Developer shall provide individual lots for affordable housing units in an amount equal to 20 percent (20%) of the total number of residential lots created through subdivision. Lots developed for affordable housing on-site in fulfillment of this requirement shall not be included in (i.e. counted against) the maximum density limits for the project.

~~2.3.~~ Partial affordable housing units shall be rounded up to the nearest whole number.

**Residential Development Example**

A developer has received approval for a 67-unit subdivision.

\*>5 separate units triggers the assured housing requirement

Assured housing requirement

- 67 units (approved density) x 0.20 (assured housing requirement)  
= 13.4 → 14 required affordable housing units

Total development density

- The total approved units for the subdivision  
= 67 (market-rate units) + 14 (on-site affordable housing units) = 81 on-site units

I. Final Unit and Lot Requirement Calculations

1. The final calculations for the number of assured housing units- or lots, and the rental or sales prices for these units shall be made prior to the issuance of building permits for the applicable project.

J. Affordable Housing Standards

1. Minimum Standards of Physical Condition

i. An affordable housing unit is required to have and maintain a minimum standard of physical conditions, as set forth in Exhibit A - Minimum Standards.

2. Accessibility of Assured Housing Units by Household Income

i. Sales Units

1. A minimum of one-third (1/3) of all assured housing units made available for sale shall be affordable to low-income households.
2. A maximum of two-thirds (2/3) of all assured housing units made available for sale shall be affordable to moderate-income households.

ii. Rental Units

1. A minimum of one-third (1/3) of all assured housing units made available for rent shall be affordable to very low-income households.
2. A maximum of two-thirds (2/3) of all assured housing units made available for rent shall be affordable to low-income households.

3. Minimum Size and Occupancy Standards

- i. In order to assure health, safety, and livability, the minimum net livable square footage for affordable units shall be as follows:

<b>Unit Type</b>	<b>Net Livable Square Footage</b>
Dormitory	250 sq. ft. (max 4/"pod")
Single room occupancy	250 sq. ft.
Studio	350 sq. ft.
One bedroom	500 sq. ft.
Two bedroom	800 sq. ft.
Three bedroom	1000 sq. ft.
Four bedroom	1200 sq. ft.

- ii. Prior to the issuance of any building permits for either the market-rate or assured housing component of the project, the Community Development Department must verify square footage. The Building Department may check the actual construction of the affordable housing units for compliance with the approved building permit plans.
- iii. In calculating the rents or sales prices of affordable housing units, the following relationships between unit type and household size shall apply:

<b>Unit Type</b>	<b>Maximum Household Size</b>
Dormitory	1 person per 250 sq. ft.
Single room occupancy	1 person
Studio	1 person
One bedroom	1.5 persons
Two bedroom	2.5 persons
Three bedroom	4 persons
Four bedroom	6 persons

4. Seasonal Dormitory Units

- i. Pursuant to the applicable County codes, a developer may, at the sole discretion of the County and subject to certain requirements, satisfy its assured housing requirements by provisioning dormitory units designed for occupancy by seasonal employees. The dormitory units must satisfy all requirements of this section and shall be required to meet the following minimum standards:

1. Occupancy of a dormitory unit shall be limited to no more than 4 persons.
2. There shall be at least 250 square feet of net livable square footage per person, including sleeping and bathroom uses.
3. At least one bathroom shall be provided for shared use by no more than four persons. The bathroom shall contain at least one toilet, one wash basin, one bathtub with a shower and a total area of at least 60 net livable square feet.
4. A kitchen facility or access to a common kitchen or common eating facility shall be provided subject to the Building Department's approval and determination that the facilities are adequate in size to service the number of people using the facility.

5. Use of 20 net leasable square feet per person of enclosed storage area located within, or adjacent to, the unit.
  6. Rents for dormitory units will be set by Special Review on a case-by-case basis, given the unique and varying characteristics of dormitory units, with affordability as the key issue.
  7. Seasonal dormitory developments may be required to house qualified employees of the community at large.
5. Special Needs Emergency/Transitional Housing
    - i. Pursuant to the applicable County codes, a developer may, at the sole discretion of the County and subject to certain requirements, satisfy a portion of its assured housing requirements by provisioning special needs emergency/ transitional housing units through either direct construction, land donation or the donation of existing units. There must be a quantified, demonstrated need for the emergency/transitional housing within the Grand County boundaries. The housing must be developed in collaboration with a federally recognized, 501(c)(3) nonprofit organization. The housing must satisfy all requirements of the applicable local, state and federal requirements. Given the unique and varying characteristics of the population to be served, the rents for emergency/transitional housing must be approved in advance by the County Council or its designee
  6. Construction Timing
    - i. The affordable housing units shall be ready for occupancy no later than the date of the initial or temporary occupancy of any market-rate units within the development or applicable phase thereof. If the market-rate units are developed in phases, then the affordable housing units may be developed in proportion to the phasing of the market-rate units. For example, for every 10 market-rate units constructed, no fewer than two (2) affordable housing units shall be constructed.
  7. Assured Housing Term of Affordability
    - i. The term of affordability shall be for a period of not less than 40 years. At the expiration of the initial 40 year term, the assured housing agreement shall be reviewed for additional consecutive 10 year terms, unless the County shall determine, based on an independent housing needs assessment, that the affordable housing units are no longer necessary to satisfy the affordable/employee housing needs in Grand County.

K. Methods of Meeting Minimum Assured Housing Requirements

The following methods, in order of priority, may be used to meet the minimum affordable housing mitigation requirements.

1. Construction of unit(s) on the site on which the development is proposed
  - i. Affordable housing units shall be constructed on the project site, unless the developer can demonstrate compelling evidence that an alternative method would result in a better design, enhanced level of affordability or that the construction on-site would adversely affect the design of the project.
2. Affordable housing units may be constructed off-site, within the boundaries of the Spanish Valley zoning map, City of Moab, or Town of Castle Valley, provided such land, site or structure had not been previously deed-restricted ~~to as affordable housing by Grand County, the City of Moab, Town of Castle Valley, Housing Authority of Southeastern Utah, or Community Rebuilds.~~

3. Dedication of existing units provided such units have not been previously restricted to employee or affordable housing. ~~by Grand County, the City of Moab, Town of Castle Valley, Housing Authority of Southeastern Utah, or Community Rebuilds.~~ Units shall be located within the within the boundaries of the Spanish Valley zoning map, City of Moab, or Town of Castle Valley unless otherwise approved by the County. Existing units must meet the minimum standards for physical condition as described in Exhibit C and be in move-in condition with appliances, windows, heating, plumbing, electrical systems, fixtures and equipment in good working condition. All units shall be inspected and shall meet applicable Grand County building codes and Utah state habitability standards, as applicable. Applicant shall bear the costs and expenses of any required upgrades to meet the above standards as well as any reports required to assess the suitability for occupancy and compliance with the standards of the proposed units.
4. Construction of units outside the boundaries of the Spanish Valley zoning map, City of Moab, or Town of Castle Valley, but within the Grand County School District.
5. Conveyance of land within boundaries of the Spanish Valley zoning map, City of Moab, or Town of Castle Valley, provided such land has not been previously restricted to employee or affordable housing. ~~by Grand County, the City of Moab, Town of Castle Valley, Housing Authority of Southeastern Utah, Community Rebuilds, or the Moab Area Community Land Trust.~~ The developer may elect to (a) convey land to the County or its designee that is of equivalent value to the cash in lieu contributions that would be required under this section, plus an additional 25 percent (25%) to cover costs associated with holding, developing, improving or conveying such land; or (b) convey land to the County or its designee that is of equivalent value (as of the date of conveyance) to that land upon which required units would otherwise have been constructed and properly zoned such as to allow construction of at least that number of units for which the obligation of construction is being satisfied by the dedication of the land. Land conveyance shall occur prior to the issuance of any building permit for the market-rate portion of the development. Should the County Council later elect to sell the land, all proceeds from the sale of the land shall be placed in a dedicated housing fund.
6. Payment of Fees in Lieu of Development
  - i. If the County determines that (1) no other alternative is feasible, or (2) such a payment would result in more immediate development of housing or (3) such a payment would leverage additional resources, then a Payment of Fees in Lieu of Development may be accepted. The Payment in Lieu Fee shall be equivalent to the actual construction cost assuming the number of one-bedroom apartments otherwise required to satisfy the mitigation rates of this ordinance (e.g. 1.5 persons/500 square foot unit). Actual construction costs shall be determined annually by the County Council or its designee. The funds, and any interest accrued, shall be used only for the purpose of planning for, subsidizing, or developing deed-restricted affordable and employee housing.
  - ii. One-half of the in-lieu fee shall be paid (or a letter of credit posted) prior to issuance of a building permit for all or any part of the applicable development. The remainder of the fee shall be paid before a certificate of occupancy (temporary or permanent) is issued for any unit in the residential development. The remaining fee will be calculated at the in lieu fee rate in effect at the time of payment. The developer retains the option of paying the fees in full at time of building permit to avoid any increase in fees.
  - iii. No final inspection for occupancy will be completed for any corresponding market-rate unit in a residential development unless fees required under this section have been paid in full to the County.

7. Combination

- i. The County Council may accept any combination of on-site construction, off-site construction, land dedication, and fees in lieu of development that at least equal the cost of providing affordable housing units on-site as would otherwise be required by this section.

L. Incentives for Developing On-Site Assured Housing Units

- 1. In accordance with the intent of this section, the County may provide one or more of the following incentives to a developer who elects to satisfy the inclusionary housing requirements of this section by producing rental units or owner-occupied housing units on the site of a residential or commercial development.
  - i. Modified development standards to increase density.
    - 1. Modification in development, zoning or architectural design requirements, provided that such modifications exceed the minimum building standards provided in the Grand County Building Code, that will allow for increased density, including, but not limited to, a reduction in setback, square footage and parking requirements.
  - ii. Mixed use zoning
    - 1. Approval of mixed use zoning in conjunction with a development if such uses are compatible with the existing or planned development in the area where the proposed development will be located.
  - iii. Fee reductions
    - 1. A pro-rata refund of the development impact fees, administrative review fees, building permit fees, or any other fees charged by the County in conjunction with the applicable development.
  - iv. Tax abatements
    - 1. A pro-rata abatement of the total property taxes or proportional increases in property taxes associated with the applicable development for a specified number of years.

M. Compliance Procedures

- 1. General
  - i. Approval of an assured housing plan and implementation of an approved assured housing agreement is a condition of any preliminary plat, site plan, conditional use permit, or building permit for any development for which this section applies. This section does not apply to exempt projects or to projects where the requirements of the section are satisfied by a payment of fee in lieu.
- 2. Assured Housing Plan
  - i. The County Council must approve, conditionally approve or reject the assured housing plan within 45 days of the date of a complete application for that approval. If the assured housing plan is incomplete, the assured housing plan will be returned to the developer along with a list of the deficiencies or the information required. No application for a preliminary plat, site plan, conditional use permit, or building permit to which this section applies may be deemed complete until an assured housing plan is submitted to the Community Development Department. At any time during the review process, the Community Development Director may require from the developer additional information reasonably necessary to clarify and supplement the application or determine the consistency of the proposed assured housing plan with the requirements of this section. The assured housing plan must include:

1. The location, structure (attached, semi-attached, or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate, commercial space and/or affordable housing units and the basis for calculating the number of affordable housing units;
2. A floor plan, site plan, or plat depicting the location of the affordable housing units;
3. The income levels to which each affordable housing unit will be made available;
4. The mechanisms that will be used to assure that the units remain affordable for the term of affordability, such as re-sale and rental restrictions, deed-restrictions, rights of first refusal, and other documents;
5. For phased development projects, a phasing plan that provides for the timely development of the number of affordable housing units proportionate to each proposed phase of development as required by Section 6.14.J.6.
6. A description of any incentives as listed in Section 6.14L that are requested of Grand County;
7. Any alternative methods of compliance as described in Section 6.14.K proposed for the development along with information necessary to support such alternative proposals; and
8. Any other information reasonably requested by the Community Development Director to assist with evaluation of the assured housing plan under the standards of this section.

### 3. Assured Housing Agreement

- i. The forms of the assured housing agreement, re-sale and rental restrictions, deed-restrictions, rights of first refusal, and other documents authorized by this section, and any change in the form of any such document which materially alters any policy in the document, must be approved by the County Council or its designee prior to being executed with respect to any residential or commercial development and its associated assured housing units. The form of the assured housing agreement will vary, depending on the manner in which the provisions of this section are satisfied for a particular development. All assured housing agreements must include, at minimum, the following:
  1. Description of the development, including whether the affordable housing units will be renter- or owner-occupied;
  2. The number, size and location of very low-, low-, or moderate-income units;
  3. Development incentives offered by the County (if any), including the nature and amount of any local public funding;
  4. Provisions and/or documents for rental or re-sale restrictions, deed-restrictions, and rights of first refusal;
  5. Provisions for monitoring the ongoing affordability of the units, and the process for qualifying prospective resident Households for income eligibility; and

6. Any additional obligations relevant to the compliance with this section

ii. Recording of Agreement

1. Assured housing agreements that are acceptable to the County Council must be recorded against any and all renter- and owner-occupied affordable housing units. Additional rental or re-sale restrictions, deed-restrictions, rights of first refusal and/or other documents acceptable to the County Council must also be recorded against any and all renter- and owner-occupied affordable housing units. In cases where the requirements of this section are satisfied through the development of off-site units, the assured housing agreement must simultaneously be recorded against the property where the off-site units are to be developed.

N. Eligibility Requirements

1. General

- i. No household may occupy an assured housing unit unless the County or its designee has verified and approved the household's eligibility, or has failed to make a determination of eligibility within the time or other limits provided by an assured housing agreement or re-sale restriction.

2. Primary Residency

- i. Any household that occupies an affordable rental unit or purchases an affordable housing unit must occupy that unit as a principal residence.

3. Renter-Occupied Units

i. Qualified Renter

1. A qualified renter must meet the following criteria:

- a. A person who does not own other real property; and

- b. A household with a minimum of one adult who meets one of the following criteria:

- i. Full-time (thirty (30) hours of employment per week) employee of entities located within the boundaries of the Grand County School District; or

- ii. An owner or owner's representative of a business located within the boundaries of the Grand County School District; or

- iii. A senior citizen (person who is 62 years of age or older at the time of qualification is established); or

- iv. A person with a physical and/or mental disability; and

- c. A household with a maximum combined gross annual income less than or equal to 80 percent (80%) of the Grand County AMI according to Household size, which is defined by the most recent annual report of HUD. Deed-restrictions for a portion of the individual units identified in the assured housing agreement shall specify lower income limits as per Section 6.14.J.2.

2. The County reserves the right to place an asset limitation for prospective renters as needed to further the goals of this section.

3. The County reserves the right to place limits on the amount a qualifying renter's income may increase after its household moves into an assured housing unit.

- ii. Maximum Rental Rate
  - 1. The initial rental rate of the assured housing units must be set so that the eligible household will pay an affordable rental cost.
- iii. Changes to Rental Rates
  - 1. Rental rates for an affordable housing unit shall not be increased unless notice of the proposed increase has been provided to the County Council or its designee and the County Council or its designee has provided written consent to the proposed increase. Under no circumstance shall the rental rate for an affordable housing unit increase more than the increase equivalent to the rate at which the CPI increased since the last rental rate was established.
- iv. Transfer of Previously Rented Affordable Housing Units
  - 1. If at any point the developer of an affordable housing unit or a subsequent owner of an affordable housing unit desires to sell his or her affordable housing unit previously rented to qualified renters, the affordable housing unit owner/developer shall follow the procedures set forth in Section 4 below pertaining to the sale of an affordable housing unit.
- v. Procedures
  - 1. The assured housing agreement shall specify procedures to comply with the rental and rental transfer requirements of this section, including rights of refusal and noticing requirements.
- 4. Owner-Occupied Units
  - i. Qualified Owner
    - 1. A qualified owner must meet the following criteria:
      - a. A person who does not own other real property; and
      - b. A household with a minimum of one adult who meets one of the following criteria:
        - i. Full-time (thirty (30) hours of employment per week) employee of entities located within the boundaries of the Grand County School District; or
        - ii. An owner or owner's representative of a business located within the boundaries of the Grand County School District; or
        - iii. A senior citizen (person who is 62 years of age or older at the time of qualification is established); or
        - iv. A person with a physical and/or mental disability; and
      - c. A household with a maximum combined gross annual income less than or equal to 120 percent (120%) of the Grand County AMI according to Household size, which is defined by the most recent annual report of HUD. Deed-restrictions for a portion of the individual units identified in the assured housing agreement shall specify lower income limits as per Section 6.14.J.2.
    - 2. The County reserves the right to place an asset limitation for prospective owners as needed to further the goals of this section.
  - ii. Maximum Sale Price

1. The initial sale price of the assured housing units must be set so that the eligible household will pay an affordable ownership cost.

iii. Maximum Re-Sale Price

1. In no event shall an affordable housing unit be sold for an amount in excess of the actual purchase price paid for the affordable housing unit by the selling owner plus: (i) an increase equivalent to the rate at which the CPI increased during the selling owner's tenure; (ii) the actual out-of-pocket cost of capital improvements made to the affordable housing unit during the selling owner's tenure subject to the requirements of sections 2 and 3 below, but not more than ten percent (10%) of the actual purchase price paid for the affordable housing unit by the selling owner; and (iii) the sum of \$250.00, which shall be paid to the County or its designee upon each transfer of ownership of an affordable housing unit.
2. Adding to Maximum Re-Sale Price
  - a. With the prior written approval of the County or its designee, an affordable housing unit owner may make certain capital improvements to the affordable housing unit, which may add a maximum of ten percent (10%) of the purchase price for the affordable housing unit paid by the selling owner to the maximum re-Sale price for such affordable housing unit. A list of capital improvements eligible for increasing the maximum re-sale price shall be further specified in the assured housing agreement and deed-restrictions.
3. Out of Pocket Costs
  - a. In calculating the costs under section 2 above, only the affordable housing unit owner's actual out-of-pocket costs and expenses as evidenced by receipts shall be used to calculate the maximum re-sale price. Such amount shall not include any amount attributable to the affordable housing unit owner's profit, labor ("sweat equity"), or to any appreciation in the value of the capital improvements made.

iv. Procedures

1. The assured housing agreement shall specify procedures to comply with the sale and re-sale requirements of this section, including rights of refusal and noticing requirements.

O. Periodic Review of Assured Housing Ordinance

1. The County Council shall review this Section at least biennially to ensure it is meeting the community's housing needs.

P. Waivers

1. The County Council may waive all or part of the requirements of this section in exchange for enhanced project affordability or livability including but not limited to the incorporation of energy efficient or water-wise practices and systems in the unit design and development.

Q. Enforcement

1. Penalty for Violation

- i. It shall be a misdemeanor to violate any provision of this section. Without limiting the generality of the foregoing, it shall also be a misdemeanor for any person to sell or rent to another person an affordable housing unit under this section at a price or rent exceeding the maximum allowed under this section or to sell or rent an affordable unit to a household not qualified under this section. It shall further be a misdemeanor for any person to provide false or materially

incomplete information to the County or its designee or to a seller or lessor of an affordable housing unit to obtain occupancy of housing for which the person is not eligible.

2. Legal Action

- i. The County may institute any appropriate legal actions or proceedings necessary to ensure compliance with this section, including: (i) actions to revoke, deny or suspend any permit, including a land development permit, conditional use permit, building permit, certificate of occupancy, or discretionary approval; (ii) actions to recover from any violator of this section civil fines, restitution to prevent unjust enrichment from a violation of this section, and/or enforcement costs, including attorney fees; (iii) eviction or foreclosure; and (iv) any other appropriate action for injunctive relief or damages. Failure of any official or agency to fulfill the requirements of this section shall not excuse any person, owner, household or other party from the requirements of this section.

**Exhibit C**

**Minimum Standards for Physical Conditions of Affordable Housing Units**

- Clean unit
- Carpets steam-cleaned two or three days prior to closing
- All scratches, holes, burned marks repaired in hardwood floors, linoleum, tile, and counter tops, etc.
- No broken or foggy windows
- All screens in windows (if screens were originally provided)
- All doors will be in working order with no holes
- All locks on doors will work
- All keys will be provided; e.g., door, mail box, garage
- All mechanical systems shall be in working order
- Walls paint ready
- Normal wear and tear on carpet; if carpet has holes, stains, etc., the carpet and padding shall be replaced or escrow funds at current market value per square foot for a comparable product shall be held at the time of closing to be used by the new buyer
- No leaks from plumbing fixtures
- Any safety hazard remedied prior to closing
- Satisfaction of radon issue if found at time of inspection
- All light fixtures shall be in working order
- All appliances that existed in the original Unit, remain and are in good working order and good condition

**DEFINITIONS**

- Clean Unit: All rooms will be cleaned as stated below:
- Kitchen:
  - Range - Inner and outer surfaces will be cleaned.
  - Range hood and Exhaust Fan
  - Refrigerator and Freezer - Inner and outer surfaces of refrigerator and freezer will be clean. Freezer will be defrosted.
  - Cabinets and Countertops - Exterior and interior surfaces of cabinets and drawers will be clean. Door and drawer handles, if provided, shall be clean and in place.
  - Sink and Garbage Disposal - Sink and plumbing fixtures will be clean. Garbage disposal must be in working order.

- Dishwasher - Must be in working order and inner and outer surfaces shall be clean.
- Blinds, Windows, Screens:
  - Mini-blinds, Venetian Blinds, Vertical Blinds, and Pull Shades - Will be clean.
  - Windows - All window surfaces, inside and outside of the window glass, shall be clean.
  - Screens - Screens will be clean and in place with no holes or tears.
- Closets: Closets, including floors, walls, hanger rod, shelves and doors, shall be clean.
- Light Fixtures: Light fixtures will be clean and shall have functioning bulbs/florescent tubes.
- Bathrooms:
  - Bathtub, Shower Walls, Sinks - Bathtubs, shower walls and sinks shall be clean.
  - Toilet and Water Closet - Water closets, toilet bowls and toilet seats will be clean. If the toilet seat is broken or peeling, the seat shall be replaced.
  - Tile - All tile and grout will be clean.
  - Mirrors and Medicine Cabinets - Mirrors and medicine cabinets shall be cleaned inside and out.
  - Shelves and/or Other Cabinetry - All other shelving or cabinetry shall be cleaned inside and out.
- Walls, Ceilings, Painted Doors and Baseboards: Painted surfaces must be cleaned with care to ensure the surface is clean without damaging the paint.
- Floors: Floor cleaning includes sweeping and mopping and could include stripping, waxing and buffing. Types of floor surfaces include bamboo and marmoleum.
- Interior Storage/Utility Rooms: Storage/utility rooms shall be cleaned. Properly cleaned storage/utility rooms will be free from odors, removable stains, grease marks or accumulations.
- Washer/Dryer- Must be in working order and inner and outer surfaces shall be clean
- Safety Hazard: Any item that provides a safety hazard shall be fixed. This would include, but is not limited to, exposed electrical wiring, satisfaction of any radon issue found, ventilation for gas hot water system, etc.
- Walls Paint-Ready: All holes shall be patched; all posters, pictures, etc., shall be removed from all walls; all nails, tacks, tape, etc., shall be removed from all walls; and all walls shall be clean and ready for the new buyer to paint. If wallpaper has been placed on the wall and in good condition, the wallpaper can remain; if the wallpaper is peeling off, the wallpaper must be removed.
- Windows: If a window is broken, including the locking mechanism, the window shall be replaced. If the window has a fog residue in the inside, it shall be replaced.

### Commercial Development Example

A developer has received approval for 20,000 square feet of commercial space and 100 hotel rooms. The commercial uses include:

- 10,000 square feet of retail space
- 5,000 square feet of restaurant/bar space
- 5,000 square feet of professional services

Employee generation calculations (144 total FTEs)

- Retail = 10,000 sq. ft. x (3.3 employees/1,000 sq. ft.) = 33 employees
  - Restaurant/bar = 5,000 sq. ft. x (6.5 employees/1,000 sq. ft.) = 32.5 employees
  - Professional services = 5,000 sq. ft. x (3.7 employees/1,000 sq. ft.) = 18.5 employees
  - Hotel/lodging = 100 rooms x (0.6 employees/room) = 60 employees
  - Total employee generation = 144 FTEs
- \*>10 FTEs generated triggers the assured housing requirement

Assured housing requirement

- 144 (FTEs) x 0.25 (mitigation rate) = 36 FTE mitigation number
- 36 FTEs ÷ 1.5 (FTEs/household) = 24 affordable housing unit equivalents
- 24 affordable housing equivalents of studio units @ the minimum of 350 sq. ft. = 8,400 sq. ft. of total space

### Residential Development Example

A developer has received approval for a 67-unit subdivision.

\*>5 separate units triggers the assured housing requirement

Assured housing requirement

- 67 units (approved density) x 0.20 (assured housing requirement) = 13.4 → 14 required affordable housing units

Total development density

- The total approved units for the subdivision = 67 (market-rate units) + 14 (on-site affordable housing units) = 81 on-site units

### Assured Housing has...

- Been implemented in some version in over 700 communities across the country
- A proven track record in rural gateway and tourism-based communities
- The only way to guarantee that new development will include affordable housing
- The option for developers to independently calculate commercial employee generation
- The option for County Council to provide exemptions and waivers
- Compliance alternatives
  - On-site or off-site construction
  - Dedication of and or existing units
  - Payment of fees in lieu of development
- Development incentives
  - Density
  - Mixed use zoning
  - Fee reductions
  - direct monetary contributions
  - Tax abatements

**AGENDA SUMMARY  
GRAND COUNTY PLANNING COMMISSION  
November 17, 2016**

<b>TITLE:</b>	Discussion regarding short-term rentals in the highway commercial (HC) zone
<b>FISCAL IMPACT:</b>	Directly, no fiscal impacts are anticipated; Indirectly, the County <i>may</i> see impacts to property taxes and transient room tax (TRT) revenue
<b>PRESENTER(S):</b>	Zacharia Levine, Community Development Director

**Prepared By:  
ZACHARIA LEVINE  
GRAND COUNTY  
COMMUNITY  
DEVELOPMENT  
DIRECTOR**

**FOR OFFICE USE ONLY:**

**Attorney Review:**  
  
N/A

**STATED MOTION :**

I move to recommend the County Council adopt the proposed land use code amendment, which removes residential units used for overnight accommodations from the list of permitted uses in the Highway Commercial zone district.

**STAFF RECOMMENDATION:**

Staff recommends approval of the proposed land use code amendment.

**BACKGROUND:**

See staff report

**ATTACHMENT(S):**

Staff Report  
Draft Ordinance



## STAFF REPORT

**MEETING DATE:** November 17, 2016

**TO:** Grand County Planning Commission

**FROM:** Community Development Department *Staff*

**SUBJECT:** Use Table 3.1: Short-term accommodations in the HC zone

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### STAFF RECOMMENDATION

Staff supports the proposed land use code amendment, which removes “residential units used for overnight accommodations” from the list of permitted uses in the Highway Commercial (HC) zone district.

### BACKGROUND

Short-term rentals play an undeniable and central role in the local economy. They provide alternative accommodations options for travelers, complement the stock of hotel rooms available on busy weekends, generate incomes for property owners, and create more than \$4M in Transient Room Tax revenue for the County.

To be VERY CLEAR, the Community Development Department is not against short-term rentals. Staff are very clear on the role short-term rentals play in Grand County’s economy. That said, the Planning Commission and County Council should engage in a discussion about whether or not the current zoning regulations accurately reflect the community’s needs, protect the health, safety, and welfare of residents, and/or advance the broader economic development goals of the County.

Staff notes the existence of Section 4.6 of the LUC, Overnight Accommodations Overlay (-OAO) Districts, as a means for developers to establish overnight accommodations rights for entire subdivisions and developments. In effect, this enables the Planning Commission to provide a recommendation and County Council to make a legislative decision on a project-by-project basis for allowing overnight accommodations in the HC zone, or anywhere else in the County for that matter. Any developer is welcome to apply for the -OAO designation. Should the land use authorities in Grand County (e.g. Planning Commission and County Council) review such an application within the HC zone district and determine that it is beneficial to the County, aligns with current and future development goals in the southern corridor, and does not create negative externalities for the community, they can approve the designation.

Lastly, bed & breakfasts, RV Parks, and hotels/motels will remain permitted uses in the HC zone district. In other words, four avenues for overnight accommodations (via residential construction or commercial construction) remain in the land use code should the County Council approve the proposed amendment.

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Over the last 15 years, the number of short-term rentals in Grand County (including the City of Moab) has increased to more than 700. While second homes, vacation rentals, and general investment properties represented about 15% of the County’s housing stock in 2000, they now account for 30% or more of the housing stock (US Census). Recent construction and permit numbers suggest the trend is likely to continue for many years, which places Grand County on a similar trajectory as other prominent tourism destinations in the American West.

It is important to balance tourism growth with other components of community development, including infrastructure, housing, public health, and others. Indeed, balance is essential for sustainable economic development. Without the right mix of affordable workforce housing and tourist accommodations, the local economy will remain vulnerable. Current market conditions suggest that residential construction for overnight accommodations will continue to dominate the development activity in the HC zone. Development interests are primarily focused on short-term occupancy opportunities due to the profit potential associated with that use type.

As long as the Use Table in Section 3.1 of the Grand County LUC remains the same, this trend is likely to continue unabated, even if the County sees a small pause associated with Moab City's Wastewater Treatment Plant.

On the surface, this trend may seem unimportant. However, it does lead to unintended consequences. Each acre of land in the HC zone used for short-term rental construction is an acre of land that cannot be used for long-term housing construction. Grand County has limited developable land and may need to preserve more space for its residents' housing needs. The HC zone allows for the highest densities in Grand County (18 du/acre, by right). Per unit construction costs, and ultimately rent or ownership costs, decrease significantly at higher densities. Yet, these lower per unit costs are not currently passed on to local residents and workers because the units are not intended for locals.

Equally important, Grand County may also need to preserve land available for a wider range of business development. With limited land zoned for commercial use, it is important to think about other forms of economic development Grand County may accommodate or attract in the future. Does a long stretch of high density buildings for short-term accommodations match the community's vision for "commercial development," its southern corridor, or economic development (more broadly) that is expressed in the General Plan and other documents?

Additionally, because of the increasing emphasis on short-term rentals within the construction industry, local builders are less available for residential projects making rates rise and even small projects more difficult to complete on time and under budget. Under current regulations, many buildings are constructed to the residential code standards, but most individual units are immediately converted to short-term, commercial uses. That means Grand County has not required the installation of fire sprinklers as a protective measure for tourists, nor has it collected commercial impact fees for a commercial activity (to be discussed further in a future meeting).

#### **ATTACHMENTS**

1. Grand County LUC Table 3.1 Uses
2. Grand County LUC Section 3.2 Use Specific Standards
3. Grand County LUC Section 4.6 (-OAO) Overnight Accommodations Overlay Districts
4. Draft Ordinance
5. Public Comments

**GRAND COUNTY, UTAH**  
**ORDINANCE \_\_\_\_\_ (2017)**

**APPROVING AN AMENDMENT TO SECTION 3.1 USE TABLE OF  
THE GRAND COUNTY LAND USE CODE**

**WHEREAS**, the Grand County Council (County Council) adopted the *Grand County General Plan Update* (General Plan) on February 7, 2012 with Resolution No. 2976;

**WHEREAS**, the County Council adopted the *Grand County Land Use Code* (Land Use Code or LUC) on January 4, 1999 with Ordinance No. 299 and amended it February 19, 2008 with Ordinance No. 468 for the purpose of regulating land use, subdivision and development in Grand County in accordance with the General Plan;

**WHEREAS**, in recent years, construction of residential units used for overnight accommodations has outpaced construction of residential units used for primary or long-term occupancy;

**WHEREAS**, overnight accommodations, second-homes, and general investment properties as a share of Grand County's residential housing stock have increased from 15% in 2000 to 30% or more in 2016 (US Census);

**WHEREAS**, Grand County has a compelling interest in supporting diverse residential and commercial development within its southern corridor;

**WHEREAS**, the Grand County Land Use Code still contains multiple avenues for legally establishing overnight accommodations in residential and commercial construction types through legislative or administrative processes;

**WHEREAS**, in a public hearing on November 17, 2016 the Grand County Planning Commission considered all evidence and testimony presented with respect to the subject application and forwarded (a favorable/an unfavorable) recommendation to the Grand County Council, (stated reasons for recommendation, if any);

**WHEREAS**, due notice was given that the Grand County Council would meet to hear and consider the proposed (ordinance) in a public hearing on (date);

**WHEREAS**, the County Council has heard and considered all evidence and testimony presented with respect to the subject application and has determined that the adoption of this ordinance is in the best interests of the citizens of Grand County, Utah;

**NOW, THEREFORE, BE IT ORDAINED** by the County Council that the LUC is hereby amended to read:

Principal Uses by Zoning District														
Use Category	Specific Use	RESIDENTIAL					NONRESIDENTIAL					Use-Specific Standards		
		SLR	LLR	RR	MFR	RG	NC	GB	RC	RS	HC		LI	HI
<b>Key: P = Permitted by right C = Conditional Use Permit Required ___ Not Permitted</b> (Use-specific Standards and descriptions of Use Categories are provided in 3.2 and 3.4, respectively)														
Overnight Accommodations	Bed and breakfast	P	P	P	P	P			P		P			<a href="#">3.2.3D</a>
	Dude ranch or destination resort					C								<a href="#">3.2.3F</a>
	Hotel or motel						P	P	P	P	P			
	Recreational vehicle parks and campgrounds								C	C	C			<a href="#">3.2.3L</a>
	Residential units used for overnight accommodation							P	P	P				<a href="#">3.2.3M</a>
	All other overnight accommodation uses													<a href="#">4.6.4</a>

**PASSED, ADOPTED, AND APPROVED** by the Grand County Council in open session this (date) by the following vote:

Those voting aye: \_\_\_\_\_

Those voting nay: \_\_\_\_\_

Those absent: \_\_\_\_\_

**ATTEST:**

**Grand County Council**

\_\_\_\_\_  
 Diana Carroll, Clerk/Auditor

\_\_\_\_\_  
 TBD, Chair

**3.2.3 Commercial Use Standards****D. Bed and Breakfast**

Bed and breakfast establishments shall comply with the standards of this section:

1. Lodging and breakfast may be provided for temporary overnight occupants in no more than 5 separate bedrooms for compensation;
2. One (1) off-street parking space shall be provided per bedroom offered for use for temporary overnight accommodations, in addition to off-street parking otherwise required pursuant to Section 6.1, off-street parking standards;
3. All guest rooms shall be located in the principal structure;
4. Structures shall not be altered in a way that changes their general residential appearance;
5. One (1) sign shall be allowed, in accordance with the requirements of Section 6.5, Signs, of this LUC;
6. There shall be an on-site resident manager; and
7. Earth-tone colors shall be utilized that minimize contrast with the surrounding landscape.

**L. Recreational Vehicle/Travel Trailer Park**

Recreational vehicle/ travel trailer parks shall comply with the following standards

1. Each space may be occupied only by persons using travel trailers, truck campers, small cabins (traditional KOA-style), and tents for overnight, short duration, or seasonal camping;
2. Each space RV/travel trailer space shall be at least 1200 square feet in area;
3. Each cabin or tent space shall be at least 800 square feet in area;
4. Each space shall be at least 30 feet in width;
5. Each park shall be served by public water and sewer facilities;
6. No space shall be located more than 200 feet from a water and sewage service building;
7. The County may require landscaping and screening pursuant to the provisions of Section 6.4, Landscaping and screening; and
8. One (1) tree of a species suitable for the area shall be provided for each 2 spaces, and shall be located in close proximity to those spaces. (Existing trees on the site may be used to satisfy this requirement.)

**M. Residential Units Used for Overnight Accommodations**

Residential units used for overnight accommodations shall comply with the following requirements:

1. An individual business license shall be required for each dwelling unit rented for time periods of less than 30 days.
2. Such units shall be managed by Utah-licensed property management agents or companies with a local, Grand County representative, and shall collect and pay all applicable taxes, including but not limited to, the Transient Room Tax (TRT).

- 3.** Additional off-street parking may be required as necessary to mitigate impacts on adjacent land uses and neighborhoods.
- 4.** Properties used for overnight accommodations shall have direct access to an arterial or collector street.
- 5.** Current contact information for property owners or management agencies or companies shall be posted in an accessible location outside such units or project.

## Principal Uses by Zoning District

Use Category	Specific Use	RESIDENTIAL					NONRESIDENTIAL						Use-Specific Standards
		SLR	LLR	RR	MFR	RG	NC	GB	RC	RS	HC	LI	

Key: P = Permitted by right C = Conditional Use Permit Required \_\_\_ Not Permitted  
 (Use-specific Standards and descriptions of Use Categories are provided in 3.2 and 3.4, respectively)

Overnight Accommodations	Bed and breakfast	P	P	P	P	P			P		P			<a href="#">3.2.3D</a>
	Dude ranch or destination resort					C								<a href="#">3.2.3F</a>
	Hotel or motel						P	P	P	P	P			
	Recreational vehicle parks and campgrounds								C	C	C			<a href="#">3.2.3L</a>
	Residential units used for overnight accommodation							P	P	P				<a href="#">3.2.3M</a>
	All other overnight accommodation uses													<a href="#">4.6.4</a>

**From:** Beth Malloy  
**To:** [Mary Hofhine](#)  
**Subject:** Affordable Housing  
**Date:** Saturday, November 12, 2016 8:57:39 PM

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Dear Planning Commission,

I strongly supporting the adoption of an Assured Housing Ordinance, crafted to ensure that new businesses and new hotels of a certain size contribute toward the solution of the affordable housing problem in Grand County.

Thank you,  
Beth Malloy

Nov. 5, 20016

To the Members of Grand County Planning Commission,

Now is truly an appropriate time for the Commission to vote its approval of the “assured housing” ordinance and the HC zone restructure re: overnight rentals. Recent events have clearly shown the result of unregulated growth. Blind faith in market forces, and the naïve belief that growth is always benevolent are not in the best interest of our community. Finding the balance point between change and stability is difficult. There is no way to please everyone if you are seeking to correct a system that is out of balance. Yet, failing to make the correction results in the same sort of crisis we facing with our water treatment plant. We have already grown too big to kick the can down the road with any hope that the consequences will not fall on our heads. Time’s up for that strategy.

Our community needs to act now to reserve space for affordable housing. We also need to reserve space for commercial business that is more diverse than just overnight rentals. The moratorium being considered by the City should not be seen as an excuse to avoid making these tough decisions. The whole situation highlights the need to strike a balance before an irreversible tipping point overtakes us.

Thanks you for your service to our community!

Sincerely,

Bonita & Ken Kolb

3649 Kerby Lane

Spanish Valley

Donald Leathers, ND  
479 Alberta Ct.  
Moab, UT 84532  
11-8-16

Grand County Planning Commission Members  
C/O Community Development Office  
125 E. Center St.  
Moab, Ut. 84532

Dear Grand County Planning Commission Members,

I wish to see your support on the following actions:

1- The removal of overnight rental construction (hotel and condo and resort accommodations) from the Highway Commercial Zone. This zone is the land that runs along either side of Highway 191 in Grand County.

2- Supporting the adoption of an Assured Housing Ordinance. This ordinance is crafted to ensure that new businesses and new hotels of a certain size contribute toward the solution of the affordable housing problem in Grand County.

Points to include in the letter follow as well as a copy of the letter I wrote. Please feel free to use any or all of this information. This is our opportunity to have a voice in the future of our community.

\* Allows for the construction of higher density affordable housing. (Ensuring our highest densities be used for high density residential construction for long-term occupancy, not short-term occupancy

\*Preserving commercially zoned land for more diversified economic development

\*Grand County's infrastructure (streets, sewer plant, etc) is overwhelmed by the growth in tourism. More overnight rental properties just adds to this problem. Again it is important that we diversify our economy and maintain growth that serves the residents living in Grand County both with housing and greater employment opportunities-

\*Preventing the southern corridor from turning into one long strip of short-term rental developments and buildings that are usually owned by out of towners who make money off Grand County's tourist economy and send these dollars out of the county.

it is time to act now before the problems that face Grand County become even greater due to the growth in overnight rental accommodations.

Thank you for your work and considering my desires for our community.

Sincerely,

Donald Leathers. ND

November 9, 2016

Dear Grand County Planning Commission Members,

I urge you to vote in favor of the proposal to remove overnight rentals from the Highway Commercial Zone. Without removing overnight rentals from this zone, the current trend will surely continue: multiple overnight rentals blossoming all along the highway. I'm grateful that you, as our Planning Commission, are considering the future of Grand County and that you recognize the present situation. Currently, we have an abundance of overnight rentals (part of our tourist economy) and a more diversified economy is a recognized need.

Removing overnight rentals from the Highway Commercial Zone allows for the construction of higher density affordable housing. It is important that this area, that is zoned for higher density, be used to benefit the working residents of Grand County. We have an affordable housing shortage and it only makes sense to use this land as a solution to this problem.

The Highway Commercial Zone should also be used to diversify Moab's economy by encouraging and allowing acceptable commercial development. Moab would benefit from courting 'greener' businesses that will employ more of our residents without adding to the pollution that the tourist economy (the motorized vehicles) and the extraction economy create.

This action will also encourage construction firms in the area to focus on and build residential construction (many are currently tied up with commercial projects due to the income potential).

Grand County's infrastructure (streets, sewer plant, etc) is overwhelmed by the growth in tourism. More overnight rental properties just adds to this problem. Again, it is important that we diversify our economy and maintain growth that serves the residents living in Grand County both with housing and greater employment opportunities.

I also encourage you to vote in favor of the Assured Housing Ordinance as this is another very positive step that addresses the present need for housing and helps Grand County plan for the future.

Thank you for all of the time and effort that you contribute towards insuring that Moab is a truly wonderful place for all of us to live.

Sincerely,

Lisa Paterson  
2729 Old City Park  
Moab, Utah