

Moab City Council Agenda Item

Ordinance 2022-05: Active Employment Household Requirement

Meeting Date: April 26, 2022

Title: Staff Update and Discussion of Moab City Ordinance #2022-05, An Ordinance Amending the Text of the Moab Municipal Code (MMC) Section 17.48 R-3 Multi-Household Residential Zone, and 17.51 R-4 Manufactured Housing Residential Zone, to add a Use Parameter Requirement to the Multi-Household Permitted Use, such that 42.5% of Units be Designated as Active Employment Units (AEU) to be Occupied by Qualified Active Employment Households (AEH).

Disposition: Briefing and Update

Staff Presenter: Cory P. Shurtleff, Planning Director

Attachment(s):

- Exhibit 1: Ordinance #2022-05 040522 redline-pc-cc final

Background:

City initiated Ordinance #2022-05, an Ordinance amending the text of the Moab Municipal Code (MMC) Sections 17.48 R-3 Multi-Household Residential Zone, and R-4 Manufactured Housing Residential Zone, to add a use parameter requirement to the Multi-Household permitted use, such that 42.5% of units be designated as Active Employment Units (AEU) to be Occupied by qualified Active Employment Households (AEH). This Ordinance is in response to City Resolution #33-2021, approved October 12, 2021, that initiated the Pending Ordinance Doctrine drafting period. The City has reviewed and discussed the drafting of this Ordinance in conformity with the expressed timeline shown in Exhibit 4. The City has coordinated with Snow Christensen & Martineau regarding legal review of the ordinance, and BAE Urban Economics to develop a formulation of data to identify a rational basis for the percentage requirement.

The draft Ordinance 2022-05 has been discussed and reviewed by Planning Commission and City Council in compliance with the Development Code Amendment standards and requirements. The Ordinance was presented for Public Hearing on March 24, 2022, then recommended by Planning Commission March 29, 2022, for City Council consideration of approval March 31, 2022. The item was tabled March 31, 2022 and scheduled for consideration April 12, 2022.

Narrative/Summary:

It has been established that there is a clear community need for attainable local housing, and by extension workforce housing, ie. Active Employment Housing. This need has been made apparent by the increasing market rate of housing/rent, which is pricing out the local workforce from both rent and purchase options. This strain is currently causing shortages in local workforce, not just in Moab City, but in the whole Grand County area. This deficit of local workforce is affecting all businesses, including the essential services required for basic operation of community needs; including the sufficient staffing of the School District, Medical Services & the Hospital, and Municipal Services such as Law Enforcement.

This shortage/crisis is being exacerbated by the increased cost of construction, increased cost of living, removal and redevelopment of existing attainable housing properties into intentionally designed luxury or second home dwellings. Attainable local housing is in decline due to these conditions, while unattainable housing is increasing

A proposed solution to this specific issue, within the larger housing crisis, was to include a use parameter requirement for multi-household developments in the R-3/R-4 zones. The R-3 and R-4 zones have been distinguished as especially susceptible zones to the specific impacts of the inverse development of attainable housing, and because of the Multi-Household Dwelling permitted uses are situated best to address these problems regarding attainable workforce housing.

BAE Urban Economics consultants have developed a formulation of data to identify the workforce need of the community in relation to existing need and buildout need. The data represents development impact need as Moab moves forward and continues to develop, BAE has provided proof that with a 46% locally housed workforce (existing) (54% incommute from outside City Limit), 42.5% of the new homes built would be needed for workforce housing to sufficiently staff the newly generated workforce needs of the community.

The decreasing number of attainable homes and increasing number of unattainable homes, along with the existing and continued need for local workforce has created the need for municipal development code amendment. The formulation of data showing that 42.5% of new homes must be retained as local workforce to sufficiently employ the community provides the rational basis for a use parameter requirement. The ordinance proposes to ensure a percentage of attainable housing is being built in the most effective residential permitted use, in the most effective residential zones, to specifically address the proven need for local workforce, which is critical to the community operation of essential service. Without this use-parameter requirement it is reasonably debatable that the free-market trends would imminently remove attainable housing from the Moab community; and with no reasonably adjacent satellite communities from which to draw a workforce, this trend would effectively eliminate the workforce population needed to operate or maintain the essential service for the community to function. Based on the information provided by the data formulation, the Planning Staff recommendation would be to require the data supported percentage of 42.5% Active Employment Units on

Multi-Household Developments in the R3 and R4 Zones

