

# EMPLOYEE HOUSING NEEDS ANALYSIS *Peak Season*



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# 1. INTRODUCTION

The purpose of this report is to estimate employee housing demand resulting from buildout of the Canyons Specially Planned Area (SPA). The report includes a demand estimate and a plan to meet that demand described in terms of number of dwelling units and number of “pillows” proposed for an on-site employee housing project.

The availability of proximate, affordable employee housing is a priority for Canyons employers. A part of the Canyons competitive advantage is superior service. Top quality, experienced employees are needed to provide that level of service. Available and affordable housing is needed in order to attract and retain those employees.

The provision of affordable employee housing is a challenge for most resorts. The Canyons plan is to provide furnished, entry-level units that speak to the lifestyle and priorities of its incoming and returning seasonal employees and simplify the “housing issue”. Privacy – autonomy – is considered a most important amenity. Canyons housing will be configured to provide that. Nearby services and amenities, and nearby transportation, simplify the workday and obviate the need for a car. Canyons housing is situated to provide that.

This is a concept level analysis. It frames the problem – number and type of employees that need housing – and it outlines the solution – the configuration of units and number of pillows needed to meet that demand. It provides a needs estimate, and translates that housing demand into a specific number of housing units. A needs estimate is informational (only). This report is intended to be actionable, as an organizing first step in the review and approval process that will lead to construction of the units.

The employee generation estimates in this report are based on “actuals” not projections – peak season 2013-2014 number of employees, job type and earnings derived from interviews and quantitative information provided by Canyons employers. Interviewees were uniformly forthcoming and helpful and because of that the interviews revealed a meaningful and business-fundamental “take” on the affordability problem. Employees of almost all rank and earnings are confronted with housing issues – either price or availability or proximity or desirability, or all of those. At the staff level even though Canyons jobs pay higher, that advantage is often negated by increased travel distance, child care and other costs. J-1 seasonal employees,<sup>1</sup> highly valued, are confronted with another set of impediments that make it difficult to come to this country and work at the Canyons. Because the Canyons operates in a national competitive environment and because the resort experience depends on quality of service, Canyons employers are in competition for the highest quality employees. They are challenged to attract the best employees and to retain them from one year to the next. For all of these reasons employers are supportive of developing a housing solution. The plan outlined in this report, focused as it is on employee housing, should provide direct results that noticeably improve the problem.

This report is an update of a 1999 needs assessment. The update was completed in March 2014, for peak season 2013 - 2014. In March of 2016 the report was updated to add built and approved new development at the Canyons for 2014, 2015 and early 2016. The analytical approach used in this

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<sup>1</sup> International students on a cultural and educational exchange visa.

report is the same as that used in the 1999 analysis with certain exceptions aimed at making this report easier to read and more intuitive.

## 2. FINDINGS OF THE ANALYSIS

### HOUSING DEMAND

Affordable housing demand<sup>2</sup> is defined in terms of the number of employees who earn 80% or less of median income and who pay more than 30% of income for housing.<sup>3</sup> Income is capped at 80% because employees who earn more than that are considered to be able to afford market rate units. Cost is capped at 30% because anything in excess of that allows insufficient remaining income to pay living expenses. On this basis employee housing for 559 persons (315 seasonal and 244 year-round employees) is needed at the Canyons. Described another way – in terms of income – affordable housing is needed for employees who earn up to \$45,100 per year.<sup>4</sup>

This demand estimate is based on buildout total development which, in addition to lodging, assumes 1.14 million square feet<sup>5</sup> of commercial. If calculated based on 713,000<sup>6</sup> square feet of commercial – an amount consistent with the proposed (March 2016) new master plan – then employee housing demand would drop by 73 beds, to a total of 486 beds.

### BUILDING CONFIGURATION

The housing contemplated in this analysis serves the purpose of providing a “way in” to an expensive and constrained housing market for people seeking to move to the area to work and live. In effect this is transitional housing and to that end it is planned as rental units. For those new hires who become full-time employees and naturally move out into the community as they move up in the organization, this is entry-level housing. For out-of-area seasonal employees these units will provide quality, guaranteed housing that is fairly priced and professionally managed, with an appropriate tenure commitment.

In this context and given that the units will be built at a single location on-site, an example plan is as follows:

- “Micro unit” design, multiple use and space efficient furnished units with built-in multifunctional furniture – murphy beds, wall units, seating, etc. The principle is to provide a high quality “low overhead” living experience (some micro housing projects, for example, even offer linen exchange service).
- Units designed to accommodate single employees or couples.

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<sup>2</sup> Price and demand is detailed in Table 1.

<sup>3</sup> This is the definition of housing affordability and is the definition used in the 1999 needs assessment. The income constraints derive from state and federal tax credit and housing subsidy guidelines.

<sup>4</sup> Annual equivalent for seasonal employees.

<sup>5</sup> This is existing, plus remaining commercial development as shown in Table 3.

<sup>6</sup> This is based on a reduction of 188,739 square feet in the resort core – from 694,527 to 505,789 – and 238,700 square feet in Red Pine Village – from 313,700 to 75,000. This is shown in Table 19.

- Two bedroom units that can be configured to accommodate two, three, or four persons. Studios that can be configured to accommodate one or two persons.
- Common area that includes ski and bike storage, party room with kitchen, laundry, game room, and on-site management office.

## BUILDING CAPACITY

The units can be configured to accommodate 100% of employee housing demand – 559 persons. An example occupancy mix is as follows:

	Unit Type				Total	
	2 Bedroom		Studio			
Number of Units	10	50	36	125	47	268
Persons per Unit	4	3	2		1	
Total Persons	40	150	72	250	47	559

- The example configuration provides 10 four person units, 50 three person units, 161 two person units and 47 one person units.

This housing solution – configuration of the buildings, unit mix, flexible occupancy – is a summary description of a workforce housing approach that has been implemented at major resorts by a real estate development firm that has workforce housing experience. The micro housing product is a slightly different trend in housing (space efficient and modular) developed to fit the lifestyle of millennials, and because it works as a housing product it is a good cost efficient solution for resort employee housing.

## RENTAL RATE

Affordable cost is a maximum of 30% of income. For rental units cost includes rent plus utilities.

For the lowest income Canyons employees who earn about \$24,000 per year (2016 estimate<sup>7</sup>) affordable cost is about \$550 per month (i.e. \$550 per pillow or \$1100 per month for a two person unit). For the highest income housing-eligible employees – those who earn about \$53,000 per year (2016 estimate<sup>8</sup>) – affordable cost is about \$1280 per month.

Higher income employees it would seem, should be able to afford market rate units. However, the issue is one of price *and* availability and even given the ability to pay above market rent – sometimes two or three times the rate charged year-round tenants – peak season rentals are simply in short supply.<sup>9</sup>

<sup>7</sup> Annual equivalent for seasonal employees. The estimate is derived based on the bottom of the lowest income category for 2013, which is \$20,400. The estimate assumes an 18% increase between 2013 and 2015 which is the rate reported by the Utah Department of Workforce Services for the increase in average monthly wages in Summit County for NAICS sector 721 *Accommodation*.

<sup>8</sup> Same methodology as in footnote 7, except that the estimate is derived based on the top of the 80% income category, which is \$45,100.

<sup>9</sup> According to an experienced local realtor, it's not unusual to see rents that are two or three times the rate charged year-round tenants with a requirement for three months in advance (first, last, and security deposit) with the added uncertainty that units often must be leased sight unseen, well in advance of the season. In addition, units that might be available are often not proximate to bus routes – a necessity for many seasonal employees.

### 3. METHODOLOGY

Analytical methodology, assumptions, decisions, criteria and conclusions are discussed in the Technical Reference. An overview of the rationale and data sources is as follows.

The analysis is based on anecdotal information from interviews with Canyons employers, local realtors and other knowledgeable sources to identify major themes, followed by quantitative analysis to define housing demand in terms of the number of cost burdened employees.

#### INTERVIEWS

The approach during interviews was to address certain questions basic to the report, but more important, to encourage interviewees to raise issues they considered important with respect to employee housing and its impact on their ability to do business. Sample questions – what are your thoughts on employee housing; is there a workforce housing issue; to what extent is it actually a business concern; in what way does it or will it affect your quality of service/competitiveness/comparison with similar resorts; what has been the plan to deal with this issue; how has housing price/availability/proximity affected hiring at the staff and management level; and other, based on the direction of the interview.

#### QUANTITATIVE ANALYSIS

Data sources include Census and related information, public records and the Canyons employee survey. Anonymous staffing information was provided by Canyons employers and was used to count the number of employees by function (lodging, commercial, skiing) and by HUD AMI category (30%, 50% and 80% of area median income). Staffing information is proprietary and is not part of the report. Existing property development (including planned and approved but not built) is from the Canyons RVMA. Future development is from the Canyons Land Use and Zoning (LUZ) table. For parcels where the LUZ is ambiguous (optional uses) the most likely land use is estimated based on discussion with RVMA staff.

The objective of the quantitative analysis is to project buildout total employees. Total employees is the basis for calculating number of employee housing units.

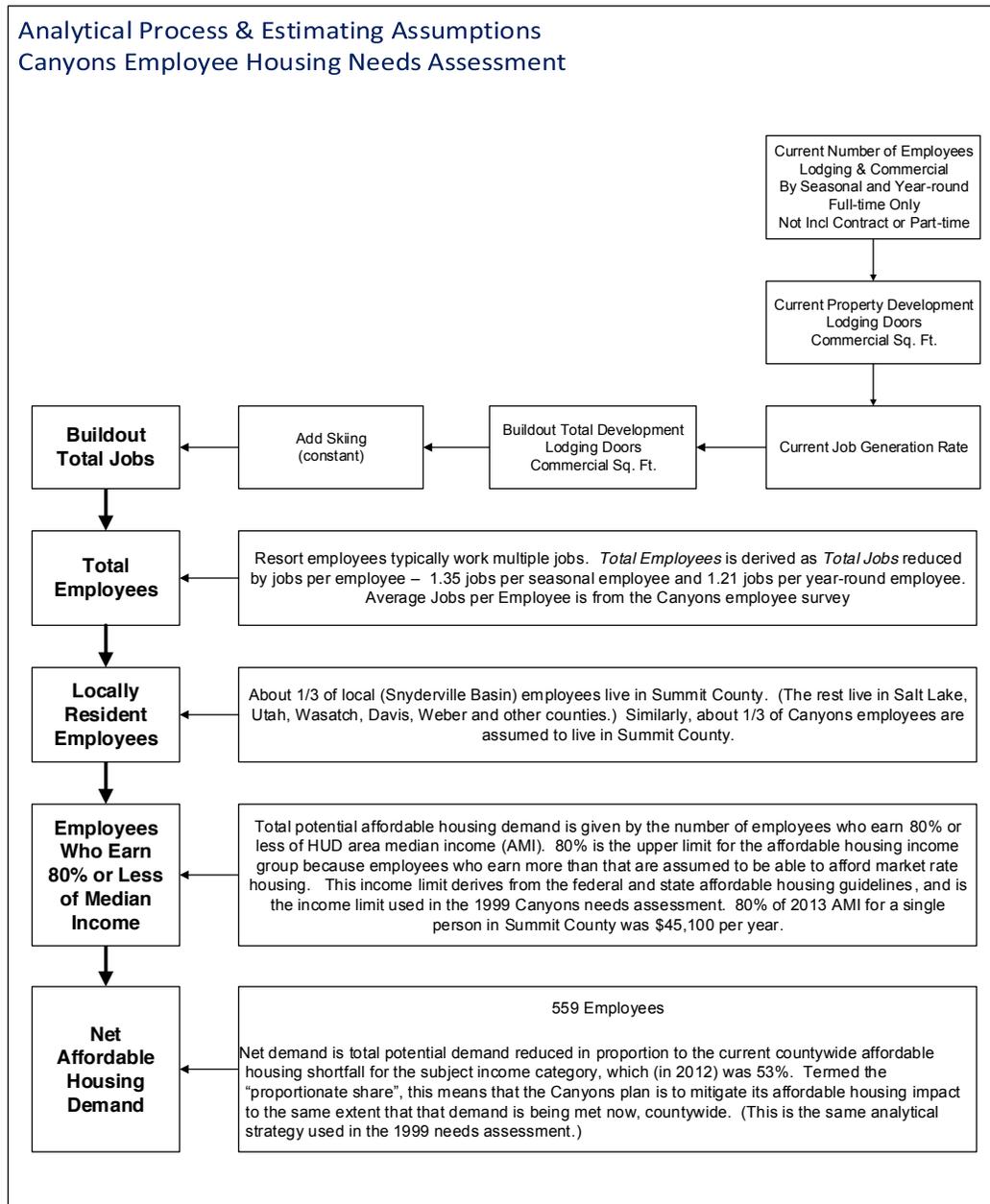
Year-round and seasonal, lodging, commercial and skiing employees directly impact local housing demand, so these are the categories of employees used to calculate housing demand (part-time and temporary employees are excluded.) The number of lodging and commercial employees is a function of projected property development. The number of skiing employees is held constant because (on the advice of resort management), absent future expansion, current staffing is adequate to operate the facilities in the future.

#### ANALYTICAL PROCESS

The analytical process, using lodging seasonal employees as an example, is to count the current (actual) number of employees, quantify current actual property development (number of lodging doors), and then calculate the number of employees per unit of development [ $\text{number of employees} \div \text{number of lodging doors} = \text{employees per door}$ ]. This defines the employee generation rate. Total employees at buildout is calculated as the product of the employee generation

rate and buildout total property development [*employee generation rate* × *buildout total lodging doors* = *total employees*.] Net housing demand is based on total employees, reduced by the multiple job holding rate, share of employees who live in Summit County, and share of employees who fall within the income constraints of the affordable housing target group.

The analytical process is illustrated as follows:



## 4. TECHNICAL REFERENCE

Table 1 shows affordable housing price and demand. HUD income categories are used as the format for affordable housing demand analysis, and affordable rent and demand is categorized accordingly.

Table 1

AFFORDABLE HOUSING PRICE AND DEMAND Canyons Employees									
Income Category (% HUD median income)	Seasonal Employee One Person Household				Year-round Employee One Person Household				
	HUD Income Category (2013)	Max. Rent (per Month)	Affordable Housing Demand (number of employees)		HUD Income Category (2013)	Max. Rent (per Month)	Affordable Housing Demand (number of employees)		
			Current	Buildout			Current	Buildout	
30% of Median	Less than \$20,400	NA	0	0	Less than \$20,400	NA	0	0	
31% to 50%	\$20,400 to \$33,950	\$458 to \$796	90	238	\$20,400 to \$33,950	\$458 to \$796	38	129	
51% to 80%	\$33,950 to \$45,100	\$797 to \$1,074	29	77	\$33,950 to \$45,100	\$797 to \$1,074	34	114	
Total (rounded)			119	315				72	244
Total Current			191						
Total Buildout			559						

Source – affordable rent is from Table 2. Total employee housing demand (number of employees) is from Table 5. Number of employees by income category is from Table 7.

- *Affordable Housing Demand* is the number of employees who earn less than 80% of median income and pay more than 30% of income for housing – i.e. the number of employees who are shelter-cost burdened.

Table 2 shows calculation of affordable rent by income category. Rent is calculated as the product of monthly income and maximum shelter cost percent, less the cost of utilities.

Table 2

AFFORDABLE RENT One Person Household				
Estimating Assumptions	HUD Income Category (2013) One Person Household			
	Up to 30% of Median Income	31% to 50% of Median Income	51% to 80% of Median Income	
<b>Income (annual equivalent)</b>		\$20,400	\$33,950	\$45,100
<b>Affordable Rent</b>				
Monthly Income		\$1,700	\$2,829	\$3,758
Maximum Shelter Cost	30%	\$510	\$849	\$1,128
Average Utilities (per month)	\$53	(\$53)	(\$53)	(\$53)
Maximum Affordable Rent (per month)		\$457	\$796	\$1,074

Source – income categories are from Table 12 for a household size of one. Utilities expense is from Table 13.

Table 3, Table 4 and Table 5 show the analytical process and data sources for calculation of total demand as shown in Table 1 (559 employees).

Housing demand is based on the number of employees at buildout. Number of employees derives from number of jobs which is calculated as shown in Table 4 as a function of the number of current employees, and current and projected buildout property development. Property development is summarized as follows:

Table 3

<b>CANYONS PROPERTY DEVELOPMENT - BUILT AND PROJECTED</b>			
<i>Updated to March 2016</i>			
<i>Lodging square feet includes living area plus allocated common area, excluding parking and commercial</i>			
<i>Existing development includes built and RVMA, approved not built</i>			
<i>Future new development includes is based on the LUZ, and includes RVMA confirmed revisions to LUZ.</i>			
	Lodging		Commercial (sq. ft.)
	Doors	Sq. Ft.	
<b>Existing and Approved</b>			
Silverado, Grand Summit, Sundial	791	515,660	167,783
Waldorf (was Dakota Mountain Lodge)	205	144,215	20,690
Westgate	488	369,286	33,216
Hyatt Escala	186	199,200	18,079
Miner's Club	30	78,753	7,728
Sunrise at Escala (now Hilton Sunrise)	200	142,000	3,500
Wyndham	86	119,658	3,861
Total	1,986	1,568,772	254,857
Average		790	
<b>Total Development at Buildout</b>			
Frostwood	412		32,279
The Cove	172		5,000
Red Pine Road	0		0
Willow Draw	0		0
Lower Village	583		73,450
Resort Core	3,541		694,527
Red Pine Village	1,246		313,700
Tombstone	118		22,000
On Mountain	0		0
Total	6,073		1,140,956

Source - *Existing and Approved Development* is from Table 17 and Table 18 and is current as of March 2016.

- Table 3 is based on the Land Use and Zoning Table (LUZ), and on the property type and density of existing development. Existing development includes built, and approved but not yet built projects. New development (included in *Total Development at Buildout*) is based on property use and density from the LUZ, modified for sites where development plans are known.

Number of jobs at buildout (3,213 seasonal jobs and 2,802 year-round jobs) is projected based on the job generation rate which is the current actual number of employees per unit of existing development. Number of jobs is calculated as shown below, as the product of the job generation rate and buildout total development. Job generation rates are calculated separately, by function – lodging and commercial – and by employee type – seasonal and year-round.

To illustrate the calculation, for seasonal lodging jobs, the job generation rate is calculated as  $[396 \div 1966 = 0.20]$  and the number of jobs at buildout is calculated as  $[0.20 \times 6073 = 1211]$ .

Table 4

<b>PROJECTED TOTAL JOBS AT BUILDOUT</b>				
<i>Peak Season</i>				
	Lodging	Commercial	Ski Operations	Total
Job Generation Rate (peak season - December 2013, actual)				
Seasonal Jobs				
Current Number of Employees	396	332	516	1,244
Existing Development (hotel doors, restaurant/retail 1,000 sq. ft.)	1,986	255	NA	
Job Generation Rate	0.20	1.30	NA	
Year-round Jobs				
Current Number of Employees	714	127	50	891
Existing Development (hotel doors, restaurant/retail 1,000 sq. ft.)	1,986	255	NA	
Job Generation Rate	0.36	0.50	NA	
Total Development at Build-out (hotel doors, restaurant/retail 1,000 sq. ft.)	6,073	1,141	NA	
Seasonal Job Generation Rate	0.20	1.30	NA	
Year-round Job Generation Rate	0.36	0.50	NA	
Projected Total Jobs at Build-out				
Seasonal Jobs	1,211	1,486	516	3,213
Year-round Jobs	2,183	569	50	2,802
Total	3,394	2,055	566	6,015

Source – *Current Number of Employees* is from Canyons employers as of November 2013, for peak season 2013-2014. Employee information is proprietary and is not included in this report. Existing and buildout total development are from Table 3. The job generation rate and total jobs at buildout are calculated as described above.

- Employee generation rates exclude volunteer, part time, and temporary employees. Contract employees are included because they are a part of the full-time workforce. They are however not included in the calculation of housing demand because they are recruited from, and reside, out of area.
- The number of skiing employees is held constant because (on the advice of resort management), absent future expansion, current staffing is adequate to operate the facilities in the future.

Table 5 on the next page shows the calculation of net housing demand – a total of 559 employees (as shown in Table 1).

In Table 5, total employees derives from total jobs, and is calculated as the quotient of total jobs and jobs per worker. The number of housing-eligible employees (those that earn 80% or less of AMI) is calculated as the product of total employees, the share that live in Summit County, and the share earn up to 80% of AMI. Net demand is the number of housing-eligible employees reduced in proportion to the current countywide affordable housing shortfall.

Table 5

<b>EMPLOYEE HOUSING DEMAND</b>			
<i>Number of Affordable Housing Eligible Canyons Employees</i>			
	Estimating Assumptions	Current (December 2013)	Projected Buildout Total
<b>Seasonal Employees</b>			
Total Jobs		1,212	3,213
Total Employees (total jobs reduce by 1.35 jobs per employee)	1.35	895	2,374
Share that Live in Summit County	33%	297	788
Share That Earn 80% or Less of AMI	86%	254	674
Less - County-wide Affordable Housing Shortfall (53% of target incl. group)	53%	(135)	(359)
Net Demand (Canyon's proportionate share of total)		119	315
<b>Year-Round Employees</b>			
Total Jobs		833	2,802
Total Employees (total jobs reduce by 1.21 jobs per employee)	1.21	686	2,306
Share that Live in Summit County	33%	228	766
Share That Earn 80% or Less of AMI	68%	155	521
Less - County-wide Affordable Housing Shortfall (53% of target incl. group)	53%	(82)	(277)
Net Demand (Canyon's proportionate share of total)		72	244
Net Demand (number of shelter cost burdened employees - rounded)		191	559

Source – total jobs is from Table 4, excluding contract employees (32 seasonal and 58 year-round). Jobs per worker is from the 2012 Canyons employee survey (calculated based on full-time employees who work 32 hours per week or more). Share of employees that live locally is from Table 15. Share of employees that earn up to 80% of AMI is from Table 6. The affordable housing shortfall is from Table 16.

Four factors influence the demand for employee housing:

1. Average number of jobs per employee. This reduces number of jobs to number of employees.
2. Share of local employees who live in Summit County. This is calculated based on the actual place of residence for all Snyderville Basin employees.
3. Share of employees who earn no more than 80% of median income. This defines the group of housing-eligible Canyons employees. The proportion is based on analysis of employee earnings.
4. Current affordable housing deficit. Total potential demand (the number of housing eligible employees) is reduced in proportion to the current countywide affordable housing shortfall for the subject income group. The shortfall defines the Canyons “proportionate share” of demand. Proportionality means that the Canyons will mitigate its affordable housing demand to the same degree that that demand is being met now, countywide.

To illustrate the calculation, using current seasonal employees in Table 5 as an example, 33%, or 297 of the total of 895 employees are assumed to live locally. 86% of those (254) earn 80% or less of median income and are eligible for affordable employee housing. This total potential demand is reduced by 53% which is the countywide affordable housing shortfall for households at or below 80% of median income. The Canyons proportionate share of total demand is 119.

Table 6 shows calculation of the share of employees that earn 80% or less of median income – one of the parameters used in Table 5 to quantify net demand.

Table 7 show calculation of demand by income category as shown in Table 1.

Table 6

<b>NUMBER OF CANYONS EMPLOYEES BY INCOME CATEGORY</b>					
<i>Peak Season 2013-2014 Actual</i>					
Income Category	Total Employees	% of Total Employees	Employees Who Earn 80% or Less of Median income		
			% of Total	Total	
<b>Seasonal Employees</b>					
Up to 30% of Median Income	Up to \$20,400	0	0%	0%	0
31% to 50% of Median Income	From \$20,401 to \$33,950	783	65%	65%	783
51% to 80% of Median Income	From \$33,951 to \$45,100	254	21%	21%	254
More than 80% of Median Income	More than \$45,100	175	14%		
<b>Total</b>		<b>1,212</b>	<b>100%</b>	<b>86%</b>	<b>1,037</b>
<b>Year-round Employees</b>					
Up to 30% of Median Income	Up to \$20,400	0	0%	0%	0
31% to 50% of Median Income	From \$20,401 to \$33,950	301	36%	36%	301
51% to 80% of Median Income	From \$33,951 to \$45,100	266	32%	32%	266
More than 80% of Median Income	More than \$45,100	266	32%		
<b>Total</b>		<b>833</b>	<b>100%</b>	<b>68%</b>	<b>567</b>

Source - number of employees and earnings are from Canyons employers. Income categories are from Table 13.

- Table 6 shows that 86% of seasonal employees and 68% of year-round employees earn 80% or less of median income.

Table 7

<b>NUMBER OF HOUSING ELIGIBLE CANYONS EMPLOYEES BY INCOME CATEGORY</b>					
<i>Peak Season 2013-2014 Actual</i>					
Income Category	Total	% of Total	Housing Eligible Employees		
			Current	Buildout	
<b>Seasonal Employees</b>					
Up to 30% of AMI	Up to \$20,400	0	0%		
Very Low Income (30% to 50% AMI)	From \$20,401 to \$33,950	783	76%	90	238
Low Income (50% to 80% AMI)	From \$33,951 to \$45,100	254	24%	29	77
Over 80%	More than \$45,100				
<b>Total</b>		<b>1,037</b>	<b>100%</b>	<b>119</b>	<b>315</b>
<b>Year-round Employees</b>					
Up to 30% of AMI	Up to \$20,400	0	0%		
Very Low Income (30% to 50% AMI)	From \$20,401 to \$33,950	301	53%	38	129
Low Income (50% to 80% AMI)	From \$33,951 to \$45,100	266	47%	34	114
Over 80%	More than \$45,100				
<b>Total</b>		<b>567</b>	<b>100%</b>	<b>72</b>	<b>244</b>

Source – The number of housing eligible employees is calculated for each income category as the product of percent of employees who earn 80% or less of median income and total housing eligible employees. Percent of eligible employees is calculated based on number of eligible employees by income category, from Table 6. Total eligible employees is from Table 5.

- *Housing Eligible Employees* shows housing demand by income group as used in Table 1.

The income distribution in Table 6 and Table 7 is based on employer reported pay rates and an assumed 1.35 and 1.21 jobs per employee, plus 5% tips, for seasonal and full-time employees, respectively. Number of jobs is as reported by employees in the 2012 Canyons employee survey.<sup>10</sup>

Housing demand calculated in this report compares with the 1999 needs assessment as follows:

Table 8

<b>COMPARISON - 1999 EMPLOYEE HOUSING ANALYSIS vs. THIS REPORT</b>		
<i>Total Employees &amp; Number Housing Eligible Employees at Build-out</i>		
	1999 Analysis	This Analysis
Employee Generation Rate		
Hotel (per door)	0.49	0.56
Commercial (per 1,000 sq. ft.)	2.44	1.80
Employee Housing Demand		
Seasonal Employees	382	315
Year-round Employees	300	244
Total	682	559
Average Household Size	2.38	2.81
Number of Households	287	199

Source – combined seasonal and year-round employee generation rates at buildout. *1999 Analysis* is the *Canyons Employee Housing Needs Assessment and Proposed Mitigation Plan* dated March 22, 1999. Current number of employees is from Table 5. Current household size is the Summit County average from the US Census Bureau, 2010-2014 American Community Survey, five year estimates

The demand estimate in this report is lower than the 1999 analysis – 559 employees vs. 682. The decrease reflects a change in the mix of seasonal and year-round employees, and a change in the share of locally resident<sup>11</sup> employees. The current analysis differs also because the job generation rates in the 1999 report were estimated. Job generation rates in this report are “actuals”, based on current staffing at the Canyons.

<sup>10</sup> Jobs per worker is for full-time employees who work 32 hours per week or more. Number of jobs per worker in the 2012 survey is similar to that reported in 2013, 2014 and 2015 employee surveys – all of which averaged 1.3 to 1.4. The sample size for the employee surveys is small – in 2012 for example, 172 respondents out of a total of 2135 employees – but survey data is the only source for estimated number of jobs per worker.

<sup>11</sup> The 1999 share was estimated based on the 1999 Canyons employee survey. The current estimate is based on Census information (see Table 15) that shows place of residence for all (4323) Census reported Snyderville Basin employees. That data source was not available in 1999. As noted above sample size for the employee surveys is small, so the Census data source is preferred.

The employee housing approach described in this report provides entry-level, transitional units that offer a short run housing solution for individual employees or couples, as new hires or returning out-of-area seasonals. For aspiring long term employees more permanent housing will become a priority as they form households and move into the community. Table 9 and Table 10 show affordable purchase price and rent for these year-round employee households.<sup>12</sup>

Table 9

Purchase Price Assumptions	AFFORDABLE PURCHASE PRICE FOR YEAR-ROUND EMPLOYEE HOUSEHOLD					
	Single Family Unit			Multi Family Unit		
	HUD Income Category (2013) 3 Person Household					
Estimating Assumptions	Up to 30% of Median Income	31% to 50% of Median Income	51% to 80% of Median Income	Up to 30% of Median Income	31% to 50% of Median Income	51% to 80% of Median Income
<b>Household Income</b>	\$26,200	\$43,650	\$58,000	\$26,200	\$43,650	\$58,000
<b>Purchase Price Assumptions</b>						
Shelter Cost (% of income)	30%					
Property Ins. - Insured Value (value of improvements)	60.0%					
Property Ins. - Average Cost (% of insured value)	0.75%					
Property Tax - Estimated Average Tax Revenue (% of taxable value)	0.92%					
Property Tax - Taxable value (primary res.) % of Market Value	55%					
Single-family Utilities (gas, elec. - per month)	\$147					
Multi-family Utilities (gas, elec. - per month)	\$106					
Condominium Fee (per month)	\$200					
Mortgage Rate	4.33%					
Mortgage Term	30					
Down Payment (% of purchase price)	5.0%					
Closing Cost	\$2,500					
<b>Affordable Purchase Price</b>						
Household Income (per month)	\$2,183	\$3,638	\$4,833	\$2,183	\$3,638	\$4,833
Shelter Cost (30% of Income)	\$655	\$1,091	\$1,450	\$655	\$1,091	\$1,450
Property Insurance (per month)	(\$34)	(\$63)	(\$88)	(\$23)	(\$53)	(\$77)
Property Tax (per month)	(\$38)	(\$71)	(\$98)	(\$26)	(\$59)	(\$86)
Utilities (per month)	(\$147)	(\$147)	(\$147)	(\$106)	(\$106)	(\$106)
Condominium Fee (per month)	\$0	\$0	\$0	(\$200)	(\$200)	(\$200)
Monthly Mortgage Payment	\$436	\$810	\$1,117	\$300	\$674	\$981
Mortgage Amount	\$87,893	\$163,111	\$224,966	\$60,494	\$135,711	\$197,566
Down Payment	\$4,494	\$8,453	\$11,709	\$3,052	\$7,011	\$10,267
Closing Cost	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)	(\$2,500)
Maximum Purchase Price	\$89,888	\$169,064	\$234,174	\$61,046	\$140,223	\$205,333

Source – income categories are from Table 12 for a household size of three. Purchase price estimating assumptions are detailed in Table 11.

<sup>12</sup> Affordable price is based on an assumed three person household size which is consistent with the current Summit County average of 2.81 (US Census Bureau, 2010-2014 American Community Survey, five year estimates).

Table 10 shows calculation of affordable rent for a year-round employee household. Rent is calculated as the product of monthly income and maximum shelter cost percent, less the cost of utilities.

Table 10

<b>AFFORDABLE RENT FOR YEAR-ROUND EMPLOYEE HOUSEHOLD</b>				
<i>Three Person Household</i>				
	Estimating Assumptions	HUD Income Category (2013) Three Person Household		
		Up to 30% of Median Income	31% to 50% of Median Income	51% to 80% of Median Income
<b>Annual Income</b>		\$26,200	\$43,650	\$58,000
<b>Affordable Rent</b>				
Monthly income		\$2,183	\$3,638	\$4,833
Maximum Shelter Cost	30%	\$655	\$1,091	\$1,450
Average Utilities (per month)	\$147	(\$147)	(\$147)	(\$147)
Maximum Affordable Rent (per month)		\$508	\$944	\$1,303

Source – income categories are from Table 12 for a household size of three. Utilities expense is from Table 13.

Table 11 describes estimating assumptions for affordable purchase price.

Table 11

<b>NOTES TO AFFORDABLE PURCHASE PRICE</b>	
<i>Price per Dwelling Unit for a Two Worker Household</i>	
Description	Estimating Assumptions Source Notes
<b>Household Income</b>	
HUD AMI	HUD AMI is from the Technical Reference Table Labeled HUD Income Limits 2013, for a family size of three. Family size is an estimated average.
<b>Purchase Price Assumptions</b>	
Shelter Cost % of Income	This is the standard measure of maximum shelter cost burden
Prop Ins Insured Value (improvements % of market value)	Estimate. Assumes that homeowners insurance is calculated based on the value of improvements, not including land.
Prop Ins. Average Cost (% of insurable value)	Estimate based on a survey of insurance premiums.
Property Tax - Est. Avg Tax Rate	Estimated as the average of 2011 tax rates for assessment districts 10, 13, 27, 29, calculated as shown in the Technical Reference, Table labeled "Estimated Real Estate Tax")
Property Tax - Taxable value (primary res.) % of Market Value	Summit County primary residential taxable value % of market value
Utilities (gas, and electricity)	Calculated as shown in the Technical Reference, Table labeled "Estimated Average Utility Expense")
Condominium Fee (per month)	MCHT estimate. This is not used in the calculation of the single family price gap.
Mortgage Rate	MCHT estimate
Mortgage Term	MCHT estimate
Down Payment (% of purchase price)	Est. typical of an affordable unit, from Mountainlands Community Housing Trust (MCHT)
Closing Cost	MCHT estimate
<b>Affordable Purchase Price</b>	
Household Income (per month)	Monthly household income (from annual income as calculated as above).
Shelter Cost	Calculated as the product of income and shelter cost burden.
Property Insurance	Calculated as the product of affordable purchase price, insured value, and estimated rate.
Property Tax	Calculated as the product of affordable purchase price, taxable value, and estimated rate.
Utilities	From utilities cost as calculated above
Condominium Fee	Used only for multi-family affordable price.
Monthly Mortgage Payment	Calculated as Maximum Monthly Housing Cost less Property Insurance, Real Estate Tax and utilities and Condominium Fee (multi family only)
Mortgage Amount	Calculated as the present value of Monthly Mortgage Payment, Mortgage Rate and Term
Down Payment	Calculated as the product of Affordable Purchase Price and Down Payment %.
Closing Cost	From Closing Cost, above
Affordable Purchase Price	Calculated as the sum of Mortgage Amount and Down Payment, less Closing Cost.

Source – as described above.

Table 12 shows 2013 HUD income limits which are used to define affordable housing income categories. For seasonal employees, income categories are based on a household size of one. For year-round employees, categories are based on a household size of three.<sup>13</sup>

Table 12

<b>HUD INCOME LIMITS 2013</b>					
<i>Canyons Employee Housing Affordability Categories</i>					
		30% Category	Very Low Income (50% category)	Low Income (80% category)	
		(top of category)			
Area Median Family Income 2013 (AMI)	\$97,000				
Family Size					
1		\$20,400	\$33,950	\$45,100	
2		\$23,300	\$38,800	\$51,550	
3		\$26,200	\$43,650	\$58,000	
4		\$29,100	\$48,500	\$64,400	
5		\$31,450	\$52,400	\$69,600	
6		\$33,800	\$56,300	\$74,750	
7		\$36,100	\$60,150	\$79,900	
8		\$38,450	\$64,050	\$85,050	

Source - 2013 HUD Income Limits Briefing Material, US Department of Housing and Urban Development, Office of Policy Development and Research, 12/11/12, section III, page 8 and page 10.  
<http://www.huduser.org/portal/datasets/il/il13/index.html>.

HUD uses a particular methodology to define income for each category that is, not strictly proportionate to household size. A four person household is the “baseline”. For that household size the 30% and 50% categories are calculated as 30% and 50% of median income (\$97,000). That share is proportionately adjusted upward and downward, for larger and smaller households. The 80% category is limited by a statutory maximum of \$64,400 (2013). However the calculated value is \$77,600. This has the effect of reducing income for every family size in the 80% category. (Based on the statutory maximum the calculated value for 2013 is actually 66% of median income.)

<sup>13</sup> A three person household size is consistent with the current Summit County average of 2.81 (US Census Bureau, 2010-2014 American Community Survey, five year estimates)

The following two tables show calculation of average utilities expense and real estate tax, used as part of the calculation of affordable rent and purchase price.

Table 13

<b>ESTIMATED AVERAGE UTILITIES EXPENSE</b>		
<i>Canyons Employee Housing Analysis</i>		
	Total	Per Month
Single Family (2 bedroom)		
Electricity	\$1,132	\$94
Natural Gas	\$636	\$53
Total	\$1,768	\$147
Apartment (2 bedroom)		
Electricity	\$842	\$70
Natural Gas	\$433	\$36
Total	\$1,275	\$106

Source – U.S. Energy Information Administration Microdata, 2005 (data updated to 2009). Utility expense for mountain division.

Table 14

<b>ESTIMATED AVERAGE REAL ESTATE TAX RATE</b>		
<i>Estimated Average Tax Rate</i>		
Tax District	Name	2011 Real Estate Tax Rate
10	Canyons	0.00853800
13	Jeremy	0.00902700
27	Silver Creek	0.01003000
29	Highland Est:	0.00902700
Example Market Value		\$149,955
Taxable % OF Value		55%
Taxable Value		\$82,475
<b>Tax Revenue</b>		
10	Canyons	\$704
13	Jeremy	\$745
27	Silver Creek	\$827
29	Highland Est:	\$745
Average		\$755
Average Tax Revenue %		0.92%
Taxable Value		

Source - Source – tax rates from Summit County Assessor's Office.

Table 15 shows place of residence for Snyderville Basin employees and is the basis for establishing the locally resident share of housing-eligible Canyons employees in Table 5. It shows that 33% of Snyderville Basin jobs are held by employees who live in Summit County and that 67% are held by employees who live out of area – Salt Lake County, Utah County, etc. The estimate is based on place of residence for all 4323 Census reported Snyderville Basin jobs.

Table 15

<b>WHERE WORKERS LIVE</b>			
<i>Place of Residence for Snyderville Basin Employees</i>			
	Place of Residence for Snyderville Basin Employees		
	Total	% of Total	Live in Summit County
Detailed Place of Residence for Snyderville Basin Area Workers			
Summit County, UT	1,435	33.2%	33.2%
Salt Lake County, UT	1,388	32.1%	
Utah County, UT	369	8.5%	
Wasatch County, UT	338	7.8%	
Davis County, UT	182	4.2%	
Weber County, UT	99	2.3%	
Cache County, UT	76	1.8%	
Washington County, UT	70	1.6%	
Duchesne County, UT	62	1.4%	
Tooele County, UT	58	1.3%	
All Other Locations	246	5.7%	
Total	4,323	100.0%	33.2%

Source – .US Census Bureau *Local Employment Dynamics (LED), LED on the Map, Work Area Profile*, primary jobs, 2011 (the most recent data available). <http://lehd.did.census.gov/led/datatools/datatools.html>.

Table 16 shows renter cost burden in Summit County. Cost burden is a means to quantify the current affordable housing shortfall and is used in Table 5 to calculate the Canyons proportionate share of total Canyons employee housing demand.

For this analysis the relevant share is based on households in the \$35,000 to \$49,999 income category, which is the category that most closely corresponds to the affordable housing income categories. (The other two cost burden shares are shown for context.)

Table 16

<b>REGIONAL SHELTER COST BURDEN BY INCOME CATEGORY</b>	
<i>Gross Rent as a % of Household Income</i>	
	Summit County
Renters Who Earn \$35,000 to \$49,999 per Year and Are Cost Burdened	53%
Renters Who Earn Less than \$35,000 and Are Cost Burdened	95%
Renters Who Earn More than \$49,999 and Are Cost Burdened	4%

Source – Renter cost burden from 2007-2011 American Community Survey 5-Year Estimates, Table B25074, Household Income by Gross Rent as a Percentage of Household Income in the past 12 Months. Cost burden is defined as shelter cost in excess of 30% of income.

Table 17 and Table 18 on the following two pages show the SPA Land Use and Zoning Table (LUZ). The LUZ is the basis for projecting total development.

There are two components to Table 17 and Table 18 – the *Canyons SPA Land Use and Zoning Table* on the left side is a duplicate of LUZ square footage and property use for each development parcel. On the right side *Existing/Projected Property Use* shows corresponding square footage and property use that is used to calculate number of jobs.

- Under *Existing/Projected*, when *Built* or *Approved/Not Built* are known, they are used as part of the calculation of total jobs (in Table 4).
- For properties that do not yet have specific development plans *LUZ* is used.
- In certain instances the LUZ allows for optional lodging or multifamily use. For these, the most likely use was estimated in consultation the RVMA.
- The LUZ specifies allowable square footage for lodging but not number of units or doors (which is needed to calculate the employee generation rate). When *LUZ* is used, the projected number of doors must be estimated, and is calculated as the quotient of LUZ Accommodation Area and average (current actual) square feet per door from Table 3.

Table 17

**CANYONS TOTAL DEVELOPMENT**  
Projected Total Development at Buildout - (page 1 of 2)

Parcel Ref#	Accommodation Area	Commercial/Retail/Support	Principle Use	Property Name	Assumed/Actual Property Use	Existing/Projected Property Use				Total	
						Accommodation Area		Commercial		Lodging (doors)	Commercial (sq. ft.)
						Built	Approved/Not Built (doors)	Built	Approved/Not Built (sq. ft.)		
<b>RESORT CENTER</b>											
<b>FROST WOOD</b>											
F1	200,000		Hotel/Lodging/Retail	Mirner's Club	Lodging & Comm.	30		7,728		30	7,728
F1	Incl	10,000	Hotel/Lodging/Retail	Wynndham	Lodging & Comm.	86		3,861		86	3,861
F2A	72,500	10,000	Hotel/Lodging/Retail	Waldorf	Lodging & Comm.	205		20,690		205	20,690
F2C	75,000		Hotel/Lodging	Waldorf	Lodging & Comm.			Incl			
F3B	88,500	20,000	Residential-Multi Family/Hotel/Lodging/Retail	Waldorf	Lodging & Comm.	Incl		Incl			
F2B	72,000		Hotel/Lodging		Lodging						
F3A	104,000		Residential-Multi Family/Hotel/Lodging	Revised To MF	Multi-family					91	91
<b>THE COVE</b>											
Osguthorpe 1	32,000		Hotel/Lodging Units		Lodging					41	41
Osguthorpe 3	104,000		Hotel/Lodging Units		Lodging & Comm.					132	132
<b>WILLOW DRAW</b>											
WV, 36/WWD4	180,900		Hotel/Lodging Units		Land swap						
<b>LOWER VILLAGE</b>											
LV1A & LV1B	49,500	80,000	Public Parking/Commercial/Other		Parking						
LV6	377,550	27,450	Hotel/Lodging	Will not be developed	None					478	478
LV8		25,000	Commercial/Retail/Office/Medical		Commercial						
LV Parcel 1		11,000	Fire Station		Commercial						
LV14, (Osg. 1)	83,300	10,000	Hotel/Lodging		Lodging & Comm.					105	105
<b>RESORT CORE</b>											
RC, 1	244,000	116,405	Hotel/Lodging Units	Grand Summit Hotel	Lodging & Comm.	365		116,405		365	116,405
RC, 2	127,946	26,214	Hotel/Lodging Units		Lodging & Comm.	162		26,214		162	26,214
RC, 3	91,300	14,902	Hotel/Lodging Units		Lodging & Comm.	116		14,902		116	14,902
RC, 4		8,400	Retail/Office		Commercial			8,400			8,400
RC, 5		8,800	Retail/Office		Commercial			8,800			8,800
RC, 6	252,000	25,645	Retail/Skier Services		Commercial			25,645			25,645
RC, 7/WWD6	94,025	87,500	Hotel/Lodging Units	Sundial Lodge	Lodging & Comm.	194		44,373		194	44,373
RC, 8	68,883	20,488	Hotel/Lodging Units	Sundial Lodge	Lodging & Comm.	488		33,216		488	33,216
RC, 9	53,429	13,997	Hotel/Lodging Units	Westgate	Lodging & Comm.						
RC, 10	53,331	10,805	Hotel/Lodging Units	Westgate	Lodging & Comm.						
RC, 11a/b	243,407	6,120	Hotel/Lodging Units	Westgate	Lodging & Comm.	Incl		Incl			
RC, 12	60,000	8,700	Retail		Commercial						
RC, 14		5,000	Hotel/Lodging Units		Lodging & Comm.			8,700		76	8,700
RC, 15	260,000	20,000	Residential Multi-Family/Hotel/Lodging Units		Commercial			5,000		76	5,000
RC, 16a	119,223	50,000	Hotel/Lodging Units/Convention Center		Lodging & Comm.	329		20,000		329	20,000
RC, 17	97,065	23,400	Hotel/Lodging Units/Skier Services		Lodging & Comm.	151		50,000		151	50,000
RC, 18	184,130	36,700	Hotel/Lodging Units		Lodging & Comm.	123		23,400		123	23,400
RC, 20	176,000	19,000	Hotel/Lodging Units		Lodging & Comm.	233		38,700		233	38,700
RC, 21	114,000	12,000	Hotel/Lodging Units		Lodging & Comm.	223		19,000		223	19,000
RC, 22		24,000	Hotel/Lodging Units		Lodging			12,000		223	12,000
Forum Retail		24,000	Retail/Skier Services		Lodging					144	144
T1		3,629	Service		Commercial			24,000			24,000
T2		2,629	Service		Future Ski operations			3,629			3,629
Escalator E1	202,200	83,267	Hotel/Lodging Units/Commercial/Retail	Escalator	Lodging & Comm.	186		18,079		186	18,079
Silverado/J1	63,230	7,445	Hotel/Lodging Units	Silverado	Lodging & Comm.	232		7,005		232	7,005
Silverado/J2	138,000	38,000	Hotel/Lodging Units	Hilton Sunnise	Lodging & Comm.	200		3,500		200	3,500

Source – see Table 18.

Table 18

**CANYONS TOTAL DEVELOPMENT**  
 Projected Total Development at Buildout - (page 2 of 2)

Parcel Ref#	Accommodation Area	Commercial/Retail/Support	Principle Use	Property Name	Assumed/Actual Property Use	Existing/Projected Property Use				Total	
						Accommodation Area		Commercial		Lodging (doors)	Commercial (sq. ft.)
						Built	Approved/Not Built (doors)	Built	Approved/Not Built (sq. ft.)		
<b>RED PINE VILLAGE</b>											
R.P. 1	80,664	25,336	Hotel/Lodging Units		Lodging & Comm.	102				102	25,336
R.P. 2	35,991	34,059	Hotel/Lodging Units/Amphitheater		Lodging & Comm.	46				46	34,059
R.P. 3	207,654	65,221	Hotel/Lodging Units		Lodging & Comm.	263				263	65,221
R.P. 4		66,500	Skier services		Existing ski operations		66,500				
R.P. 5	72,065	37,885	Hotel/Lodging Units		Lodging & Comm.	91				91	37,885
R.P. 6	123,373	24,227	Hotel/Lodging Units		Lodging & Comm.	156				156	24,227
R.P. 7	80,646	25,329	Hotel/Lodging Units		Lodging & Comm.	102				102	25,329
R.P. 8		6,000	Chapel		Chapel						
R.P. 9	146,870	46,130	Hotel/Lodging Units		Lodging & Comm.	186				186	46,130
R.P. 10	176,737	55,513	Hotel/Lodging Units		Lodging & Comm.	224				224	55,513
R.P. LAKE arb	60,000		Hotel/Lodging Units		Lodging	76				76	
<b>TOMBSTONE</b>											
Trnb. 1		15,000	Commercial		Commercial						
Trnb. Osg. 1	67,500	7,000	Hotel/Lodging Units/retail		Lodging & Comm.	85				85	7,000
<b>ON MOUNTAIN</b>											
Silver King Mines	26,000		Hotel/Lodging Units		Lodging	33				33	

Source – Canyons SPA Land Use and Zoning Table (LUZ) updated to February 2016, and existing and approved but not yet built development updated to March 2016, both as reported by Canyons RVMA.

The following shows alternate commercial density projections referred to on page 2 in context of a discussion of potentially reduced employee housing demand consequent to reduced commercial development under a proposed (March 2016) new master plan.

Table 19

<b>ALTERNATE COMMERCIAL DENSITY PLAN</b>		
<i>Square Feet of Commercial Space at Buildout</i>		
	Commercial Space Under the Existing SPA	Proposed Commercial Space (March 2016)
	(square feet)	
Total Commercial Development at Build-out		
Frostwood	32,279	32,279
The Cove	5,000	5,000
Red Pine Road	0	0
Willow Draw	0	0
Lower Village	73,450	73,450
Resort Core	694,527	505,788
Red Pine Village	313,700	75,000
Tombstone	22,000	22,000
On Mountain	0	0
Total	1,140,956	713,517

Source – *Commercial Space under the Existing SPA* is from Table 3. *Proposed Commercial Space* is a summary of commercial space from a proposed new master plan (March 2016), as reported by the Canyons RVMA.