

TITLE: Impact Fee Waiver Request – 1581 The Cooperative1581, Phase 1

DISPOSITION: Discussion and possible action

PRESENTER/S: Michael A. Black, AICP, City Manager

ATTACHMENT/S:

1. Recorded LURA / Restrictive Covenant – The Cooperative1581 Phase 1 (Recorded 12/16/2025)
2. Applicant Letter – Waiver Request
3. Adopted Affordable Housing Partnership Policy and Impact Fee Assistance Program
4. City of Moab Impact Fee Invoice for Cooperative1581

STAFF RECOMMENDATION: Staff recommends that the City Council approve the Impact Fee Waiver request submitted by The Cooperative1581 Phase 1 LLC, subject to execution of the required Waiver Contract under Section 7 of the Policy.

Background

The City Council adopted the *Affordable Housing Partnership Policy and Impact Fee Assistance Program* (the “Policy”) to establish a unified and consistent process for providing impact fee waivers for deed-restricted affordable housing developments. The Policy clarifies eligibility, required application materials and provides the criteria for calculations for granting fee waivers in accordance with MMC §§ 13.25.090 and 17.69.110.

The Policy authorizes the use of the Housing Fund to offset impact fees for designated affordable housing units that are:

- Located within city limits,
- Deed-restricted for between 10–50+ years,
- Reserved for households earning $\leq 120\%$ AMI, and
- Developed by applicants in good standing with the City of Moab.

Waivers are calculated using the Policy’s “Impact Fee Waiver Matrix,” allowing a maximum waiver of \$1,000 per unit, scaled based on deed term and AMI eligibility tier.

The applicant meets the eligibility criteria under the *Affordable Housing Partnership Policy and Impact Fee Assistance Program*, has provided the required documentation—including a recorded long-term

affordability covenant—and qualifies for an impact fee waiver amount calculated pursuant to the Policy’s Impact Fee Waiver Matrix. See “Project Information” for details.

PROJECT INFORMATION

The development is a multi-family affordable housing project that will be available to Moab’s local workforce. The project is phase 1 of multi-phased development. There are a total of 144 units, ranging from 1-3 bedroom. The project has been approved through all appropriate City requirements and is currently in the construction phase. Units includes a recorded long-term affordability restriction of 50 years, including rent and income limits tied to AMI (average of 59.93% AMI) as required under the Low-Income Housing Tax Credit program (“LIHTC”).

Affordability Documentation

The applicant has recorded a *Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants* recorded December 16, 2025 (see attachment).

The recorded agreement includes:

- Binding affordability covenants enforceable by the State of Utah,
- Income restrictions on 144 apartment units, with an average of 59.93% AMI (Sections 2 & 13)
- A duration tied to LIHTC compliance and extended use periods lasting 50 years (Section 9),

All of which satisfies the Policy’s requirement for affordability restrictions.

Applicant Request

The applicant requests an impact fee waiver under the new Policy, and staff has verified that the application meets the eligibility requirements as show below:

1. The application meets the eligibility criteria under Sections 3 and 5 of the Policy.
2. The project has a recorded restrictive covenant ensuring long-term affordability for 50 years.
3. The development meets the affordability goals of MMC Chapter 17.69, as reinforced in the LURA.
4. The waiver directly supports City housing goals as identified in the 2023 Moab Area Affordable Housing Plan by providing deed restricted affordable units for rent.
5. The requested waiver is consistent with the intent of the Policy and advances affordable housing for Moab’s local workforce.

Using the Matrix (Section 6 of the Policy), and based on the average of 59.93% AMI for 144 units, for 50+ years, the development qualifies for a potential waiver of \$875.00 per unit. Consistent with Section 5(C)

of the policy, the City Council may choose to approve a waiver for a total of **\$126,000.00** for the total project (144 units). See the calculations below:

Cooperative1581 Phase 1 LLC – Matrix Calculation:

1. 50-year deed restriction = 1 point
2. 59.93% AMI (average) = .75 points
3. Total Points Earned = 1.75
4. Total Points Possible = 2
5. Waiver Percentage = $1.75 \div 2 = .875$ (87.5%)
6. Total Waiver Value Per-Unit = $\$1000.00 \times 87.5\% = \875.00
7. Dollar Amount of Potential Waiver (total project) = $144 \times \$875.00 = \$126,000.00$

Impact fee waivers draw from the Housing Fund and shift infrastructure costs to the City; however, the Policy identifies this use as consistent with advancing long-term affordable housing objectives. Should the waiver be approved, the City will transfer the corresponding amount from the Housing Fund to the applicable City funds where the impact fees would normally be deposited.

Proposed Motion:

I move to approve the Impact Fee Waiver request submitted by The Cooperative1581 Phase 1 LLC, based on staff's findings of compliance with the Affordable Housing Partnership Policy, and authorize the City Manager to execute the required Waiver Contract.

RELEVANT LAWS, STUDIES & PLANS:

Affordable Housing Plan;

Affordable Housing Partnership Policy and Impact Fee Assistance Program;

Moab Municipal Code 17.69

RESPONSIBLE DEPARTMENT(s):

Administration, Community Development

FINANCIAL IMPACT:

Impact fees are charged to cover the inherent impacts of adding density to systems like water, sewer and storm drains. Over time adding density to these systems will require upgrades and expansions of existing systems.

Waiving the impact fee does not cancel out the impact that a development will have on our systems. In a case where the City waives impact fees for qualified reasons, the City is taking on that burden to fund the waived portion of the impact to our systems.

The actual financial impact to the City from this waiver is to reduce the Housing Fund (workforce assured housing) by the total waiver amount. Should the waiver be approved, the City will transfer the corresponding amount from the Housing Fund to the applicable City funds where the impact fees would normally be deposited. The Housing Fund has a balance of \$300,000 of unallocated funds that can be used for this purpose.

The applicant owes \$190,891.15 in impact fees to the City. Any Impact Fee Waiver amount would be subtracted from this total. This amount reflects only a portion of the project's overall impact fee obligations, as more than \$750,000 in additional fees will be paid to GWSSA for impact fees for this phase. To my knowledge, GWSSA is not waiving any of their fees for this project.