

Appendix J: Affordable Housing (1994 Plan—Chapter 5, Appendix A & B)

CHAPTER 5

AFFORDABLE HOUSING

A. ISSUES

From 1970 to 1990, Teton County created more jobs than it did homes, leaving the housing supply far below the demand. Furthermore, much of the new and existing housing stock has been occupied as second or vacation homes, not by residents. Since second home owners can generally pay more than residents when purchasing property, the price of property in Teton County has become unaffordable to most Teton County residents. As a result, many of those employed in the County have been forced to find housing outside the community, share housing with others, live in substandard or inadequate housing, or hold more than one job in order to afford the limited housing that is available.

Incomes versus Housing Costs

At the root of the affordable housing problem is the fact that housing prices have increased substantially in response to high second and vacation housing demand. In the meantime, County resident incomes have risen only marginally. In 1986, the median price of a single family home in Teton County was 354 percent of the median income--250 percent is considered affordable. By 1993, the median price of a single family home in Teton County cost 635 percent of the median family income. This reflects an average annual increase of 14.7 percent in housing costs, while the median household income increased at a rate of only 5.5 percent. Although housing affordability is becoming a national problem, the situation is far worse in Teton County. While the median income in Teton County is consistent with the national median, housing prices are far above the median housing price for the nation. In 1992, the median sale price of a single family home for the United States was \$121,500; for the western United States it was \$130,400; and for Teton County it was \$200,000. (*Affordable Housing Needs Analysis*, James C. Nicholas, University of Florida, March 1994, p.4-5)

A look at the actual sales of homes and their rapidly rising prices in Teton County confirms the inflation of housing prices. In 1986, 80 percent of all homes sold in Teton County sold for less than \$100,000; however, by the first half of 1990, only 30 percent of homes sold for less than \$100,000 in Teton County. Seventy-five percent of those sales were small condominium units. (*Study of The Affordable Housing Situation in Teton County Wyoming*, Summit Management Consulting, 1990, p. 13) A check of the Multiple Listing Service as of April, 1993, found no listings for single-family detached homes costing less than \$150,000. Only condominium units were available at or below the \$100,000 mark, and only a few townhomes were listed under \$150,000.

Other indications of the mismatch between housing prices and incomes is the number of residents either spending too much of their income for housing or holding more than one job in order to augment their income, or both. According to 1990 Census data for Teton County, 30 percent of home owners and 36 percent of renters were cost burdened, in that they were paying more than 30 percent of their total household income for direct housing costs. (1990 Census, Selected Social Characteristics, Teton County, Wyoming, Table 1)

In addition, data from the Wyoming Department of Employment, Employment Resources Division, Research and Planning Section, shows that almost all jobs in Teton County pay less than the median income and there are more jobs than employed residents. The number of jobs increased from 0.82 jobs per resident in 1980 to approximately 1.0 job per resident in 1990. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 8) Since there are some residents who are not a part of the work-force, especially children, these numbers indicate that many employed persons have more than one job. These data convey several facts, one of which is that many employed individuals hold more

than one job. Yet, even with a good portion of the work force holding more than one job to boost their income, the median household income is still insufficient to afford housing in Teton County.

Causes of Increased Housing Costs

The main force driving housing prices beyond the range of the average County resident is the influx of nonresident households. The prevalence of this type of home buyer has pushed up housing prices to the extent that an average wage earner cannot afford housing in Teton County. (Nicholas, p. 9)

An analysis of U.S. Census data demonstrates that not only are most newly constructed homes sold to nonresident households, but existing homes which go on the market are often sold to nonresident households. In 1980, 83 percent of the housing inventory in the County was occupied by residents, while only 17 percent of the inventory was occupied by nonresidents (visitors and second home owners). By 1990, the occupancy characteristics had changed significantly, such that 35 percent of the inventory was occupied by nonresidents. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 39)

Data compiled by Nicholas, from the U.S. Census Bureau and other sources, show a dwelling unit growth during the 1980's of 2,327 compared to a growth in resident households of 1,076. This means that 1,251, or 54 percent, of the new dwelling units constructed between 1980 and 1990 were occupied by nonresidents. However, these data do not reflect the entire increase in nonresident population. From 1980 to 1990, the number of dwelling units occupied by nonresidents increased by 1,714. Thus, 463 existing dwelling units (1,714 minus 1,251) were converted from resident occupied to nonresident occupied--463 resident households were "squeezed out" of the housing market. (Nicholas, p. 8)

Table 5.1 provides a more complete summary of the shift in occupancy which has taken place over the last decade. It illustrates that while the housing inventory grew by 2,531 units during the 1980's, the net increase in the number of units occupied by permanent residents was only 817 units (less than one third of the total growth); the remainder of the growth was in units for seasonal/recreation/occasional use and short-term rental/for sale/other vacant use. The table also illustrates a decrease in the proportion of rental units; the production of rental units did not even keep pace with resident population growth. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 40)

As an illustration of this rental market dynamic, the Jackson Hole Racquet Club occupancy changed from a 1984 profile of 55 percent long term and 45 percent vacation/short term use, to a 1991 profile of 13 percent long term and 87 percent vacation/short term use. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 42) This is a loss of lower end, generally rental, housing from the local market. When combined with the fact that very little new housing of the same type has been built in recent years, a significant reduction in lower end housing supply has resulted.

Oftentimes, high numbers of short-term rental/for sale/other vacant housing units indicates a saturation of the housing market. However, if this were true in Teton County, housing prices would not be as high as noted previously. Similarly, Teton County's strong economy--there are more jobs than persons in the work-force--and consistent population growth demonstrate there is no reduction in resident housing demand. It is a demand to which the housing market is not responding since the second home market is more profitable.

In a market such as Teton County is experiencing, lots and homes which start out affordable do not tend to remain so. Both Rafter J and Cottonwood Park, developed in the late 70's and early 80's, began as affordable housing for County residents. As these projects approach build-out, prices for both sale and rental have escalated well above affordable levels for most County residents. This is a result of many lots and houses, including multifamily units, being purchased as second or vacation homes by nonresidents--in 1992, 59 percent of the homes in these two subdivisions were owned by nonresidents. (*The Housing Market in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 27)

Table 5.1
Change in Occupancy of Housing Inventory
Teton County, 1980 - 1990

	1980	% of Total Housing Inventory	1990	% of Total Housing Inventory	1980 - 1990 Unit Growth
Owner Occupied	2,066	46%	2,691	38%	625
Renter Occupied	1,685	37%	1,877	27%	192
Seasonal/Recreation/ Occasional Use	273	6%	1,457	21%	1,184
Short-term rentals/for Sale/Other Vacant¹	505	11%	1,035	15%	530
Total Housing Units	4,529	100%	7,060	100%	2,531
Resident Housing	3,751	83%	4,568	65%	817
Nonresident Housing²	778	17%	2,492	35%	1,714

Source: *An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 40 and 1990 Census, General Housing Characteristics, Table 49. Occupancy, Structural Characteristics, and Age of Householder, p. 62

NOTES:

¹ Other vacant units include certain vacant short term rental units not listed for seasonal/recreation/occasional use by the Census.

² This row is the sum of the housing units for Seasonal/Recreational/Occasional Use and Short-Term Rental/For Sale/Other Vacant, described in the above footnote. However, since a small number of those vacant units are for sale, not vacant because of an absentee owner, the nonresident housing percentage is actually slightly lower than shown here.

In addition, people living in what was originally a starter home have practically no option to move up to a bigger or nicer house, even though they may be able to afford an incremental increase in monthly housing expenditures--there are simply no properties within the higher range they may be able to afford. This puts the entire market into a static rather than dynamic mode with people continuing to live in their original home rather than moving periodically to a slightly more expensive dwelling. (*The Housing Market in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 27)

Housing Deficit

As a result of the forces described above, there is an existing deficit of year-round housing units priced to be affordable to County residents. This deficit will continue to increase unless some action is taken to resolve the affordability problem. In addition, there is an influx of seasonal employees, a large proportion of whom also need affordable housing.

The 1993 estimated deficit of year-round housing is 400 dwelling units; 172 owner-occupied housing units and 228 rental units. This deficit has been building since 1983 at a rate of 40 plus housing units per year. Based upon this past trend, it is estimated that there will be a need for a total of 88 additional

affordable year-round homes per year--44 owner-occupied and 44 renter-occupied--through the year 2002 (Nicholas, p. 16-17.)

For the last two years (1992-1993,) Teton County has experienced an average increase of 4,500 jobs during the summer season (June-August.) This is a peak above the average number of jobs available in the County throughout the rest of the year. Accounting for those summer season employees that have housing, i.e., high school and college students whose families are residents and other year-round residents who may work in the summer only, it is estimated that 66 percent of the total seasonal employees are in need of housing assistance.

Both the year-round and seasonal housing deficits are estimates representing persons without housing, persons living with more than one unrelated adult, and those paying greater than 30 percent of their gross income for rent (*Affordable Housing Needs Assessment*, Teton County Housing Authority and Jackson/Teton County Chamber of Commerce, 1993.) These deficit numbers may be somewhat high since households with three unrelated individuals are counted, even though they may be living in a three bedroom unit. It would be appropriate, however, to count individuals in such a situation if they are cost burdened or had been forced to combine into a household in order to afford housing.

Rental Housing

Affordable housing is a broad term that includes "employee housing," which is primarily used when referring to rental units. Currently, 27 percent of all housing units in Teton County are renter-occupied. Approximately 52 percent of the rental stock is located in the Town of Jackson; the remainder is scattered throughout the County (48 percent.) Although the location of rental units is somewhat evenly split between Town and County, the rental unit proportion of total units within each jurisdiction is different: 44 percent of the total housing stock in the Town is rental, whereas 19 percent of the total housing stock in the County is rental.

The availability of rental housing is an important part of the affordable housing issue. Since average yearly salaries are generally below the median income, it is likely that a large portion of the work-force demands rental housing. Yet, the commercial/service sector and residential development sector are out of balance--the number of jobs has been increasing while the number of housing units available to residents has been decreasing.

This Chapter has documented the fact that residents are being squeezed out of the housing market, by demonstrating the proportion of nonresident homeowners has increased over the years. There are no data to directly show whether or not nonresident homeowners are making their housing units available for long-term rental. There is only anecdotal information, such as the proportion of renter occupied housing units decreased from 37 percent in 1980 to 27 percent in 1990 (see Table 5.1), along with the generally accepted fact that there are very few rental units available at any time of the year. By general experience, the county-wide vacancy rate for long-term rental housing is zero, which indicates a demand for rental housing which is not being met.

The same land-cost spiral that impacts the purchase price of housing also affects the availability and price of rental units. There is a limit to the amount of rent that can be charged for long-term units, however, since there is no demand for long-term rental units by people who do not earn their living in Teton County. Multifamily developers, therefore, often face difficulty in making rental projects financially viable. Rental prices are determined by local incomes, yet the price for the land on which to build has appreciated far beyond local affordability. Thus, developers of rental housing must obtain high densities in order to make a project financially viable.

As stated above, there is currently a deficit of 228 affordable, year-round rental units. Projections through the year 2002 indicate that there will be a need to provide an additional 44 rental units per year in order to keep up with community needs. (Nicholas, p. 16)

Existing Housing Stock

Most of the housing growth since 1970 has been in unincorporated Teton County. Housing growth in Town has lagged sharply behind. In 1970 about 1,050 dwelling units were located in Town, comprising more than 50 percent of the total County inventory. By 1990, although the Town's housing supply had more than doubled to 2,236 units, it comprised less than one-third of the total County housing unit inventory of 7,060 units (1990 Census.)

The inventory of housing units in the Town and County can be characterized as follows: housing in the Town includes mostly older, modest single-family homes on small lots, and newer multifamily dwellings scattered throughout residential neighborhoods. Housing in the Town appears to be mostly resident occupied single-family homes and multiple-family dwellings with visitor accommodations generally limited to hotels and motels.

Housing in the County consists primarily of single-family residences on large lots--from three to 20 plus acres. There are clusters of townhomes and multifamily dwellings located in planned developments, such as Rafter J, the Aspens, and Teton Village. Housing in the unincorporated townsites, such as Wilson and Kelly, consists of single-family homes on smaller lots, generally 7,500 square feet, but more than one lot is often needed to accommodate single-family home development due to locational requirements of septic systems. Along the Teton Village Road and Fall Creek Road, many newer subdivisions consist of large, exclusive vacation homes, although resident-occupied single-family homes can also be found.

The Results

The housing market is causing displacement of Teton County residents, forcing them to find places to live outside the community--or to leave the region altogether. Displacement of residents is common in two types of housing markets, and Teton County has characteristics of both. Displacement can occur in a market where housing can be obtained more cheaply within a relatively short commuting distance, or where there is an external demand for housing that is unrelated to the local income scale (i.e., second home buyers,) which causes housing prices to rise.

Many local workers have already become commuters, traveling to work from homes over Teton Pass in Teton Valley, Idaho, through the Snake River canyon from Alpine, Wyoming, and through the Hoback River canyon from the Bondurant/Pinedale vicinity. Approximately 25 percent of recent home purchases in Teton Valley, Idaho were made by people with Teton County addresses, up from only 3 percent of such purchases made in 1986. In 1980, 183 of the 1,220 person's in Teton Valley's work force (15%) were commuting to jobs outside of Teton Valley; by 1990, 477 of the 1,590 persons in Teton Valley's work force (30%) were commuting to jobs outside of Teton Valley. A reasonable assumption is that most of these persons are commuting to jobs in Teton County, the area's principal economic magnet. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, pp. 32-4)

Current housing prices in Teton Valley are 20 percent to 40 percent below Teton County, Wyoming prices. Building costs in Teton Valley are comparable to Teton County prices, yet the bottom of the new housing market in Idaho is \$20,000 to \$60,000 below Teton County--meaning the difference is in the cost of land. (*An Updated Study of The Affordable Housing Situation in Teton County, Wyoming*, Summit Management Consulting, 1992, p. 34) Many Teton County employees may choose to live in Teton Valley, Alpine, or Bondurant simply because their housing dollars buy more; some probably live in these neighboring communities because they simply cannot find or afford housing in Teton County.

Although these areas are a reasonable commute--30 to 60 miles--the terrain is quite different from a typical suburban commute. Teton Pass, in particular, is subject to closure in the winter due to avalanches. This creates the potential for being unable to get to work or being half a day late or more to work if one lives in Teton Valley, Idaho or Alta. The Snake River Canyon is subject to the same type of closure, as is

the Hoback Canyon, but with less frequency. The commute over terrain such as these passes is very wearing on the commuter as well, making it undesirable on a daily basis.

The current housing situation is also affecting the ability to do business in Teton County. A 1989 questionnaire administered by Summit Management Consulting revealed 64 percent of employers surveyed felt the housing problem affected their business. Respondents said a lack of hiring choices limited their ability to provide quality service. They were forced to turn some business away because of staffing shortages and they were unable to pay wages necessary to attract and keep employees who wanted a future in Teton County. The study indicated that businesses not hurt by the problem either had employee housing or were small enough to cover employee shortages. (*An Investigation into Teton County, Wyoming's Housing Situation*, Summit Management Consulting, 1989, p. 1)

A 1991 Chamber of Commerce survey showed 97 percent of respondents felt housing was a critical or difficult problem for seasonal summer employees. About 90 percent thought housing was a critical or difficult problem for permanent employees making \$20,000 a year or less. Nearly 80 percent thought it was a problem for seasonal winter employees and 71 percent thought the housing problem affected permanent employees making \$20,000 to \$35,000 a year. (*1991 Annual Questionnaire Results*, Jackson Hole Chamber of Commerce, p. 3)

The housing problem has also altered the social structure of Teton County. Social and economic classes that once mingled in the community are growing apart as households that cannot afford homes in Teton County are relocating to Teton Valley, Idaho, Alpine, and Bondurant. The community as a whole has decried this trend. As described in the Community Character Chapter, maintaining both a social and economic diversity within Teton County is very important to its residents.

Moves to neighboring communities can also lead former residents to resent the community that squeezed them out. This can become a significant public relations problem in a service-oriented economy, such as Teton County's. Displaced residents begin to lose their social ties to Teton County and later may choose to sever their business ties as well. Remaining residents may grow increasingly isolated as their former social classmates are replaced by those who can afford Teton County's escalating property prices.

Disintegration of the community fabric has been exacerbated by development of exclusive subdivisions composed entirely of seasonal occupants and second-home owners. These homeowners are less likely to participate in traditional community events or to volunteer to provide needed community services. This trend, in turn, is causing shortages in volunteer services, such as the Fire Department, since the people most likely to volunteer have been squeezed out of the community.

Alternative Housing

Mobile Homes

Mobile homes provide safe, affordable, year-round housing for many Teton County residents. Both Teton County and the Town of Jackson have existing mobile home parks and individual mobile homes on subdivision lots or parcels. However, both local governments also now prohibit the location of an individual mobile home outside of a mobile home park. This indicates a decision on the part of the elected officials that mobile homes, from a community character standpoint, are acceptable only within an organized and maintained development or mobile home park. As the affordable housing problem has gotten worse, the community has had to reevaluate its position with regard to mobile homes.

Allowing mobile homes on individual lots or parcels has been considered, as well as permitting greater flexibility and ease in the location of mobile home parks. The permanent placement of mobile homes outside a mobile home park continues to be considered inappropriate from a community character standpoint. However, greater ease in locating new mobile home parks is considered appropriate, so long as they are designed to be consistent with the character of the vicinity in which they are proposed. Existing mobile home parks should be allowed to remain and continue to develop and redevelop (i.e.,

allow replacement of an existing mobile home with a different mobile home) according to the existing character of the mobile home park.

It is doubtful, however, that mobile homes can be an effective part of the solution to the affordable housing problem. Land cost is the major factor in the affordable housing problem. While mobile home units may be relatively inexpensive, the land on which to locate them is not immune from the skyrocketing values. Land values are a deterrent to the development of new mobile home parks. Existing mobile homes and mobile home parks, as well as older, smaller single-family units, are in constant jeopardy of redevelopment. Both certain types of residential uses and nonresidential uses can provide a far greater return to the landowner than a mobile home or mobile home park. As existing mobile homes and mobile home parks are replaced by more profitable development, Teton County mobile home owners are forced to sell their mobile home or to move it elsewhere--generally, out of the County due to restrictions of location of individual mobile homes and lack of mobile home park space.

Campgrounds

The development of campgrounds as a form of seasonal employee housing has been identified and is worthy of further investigation. Many summertime employees are willing and eager to camp for the summer as a way of experiencing the County's natural environs and, at the same time, achieving inexpensive housing.

There is currently insufficient private campground space and many summer workers camp on Forest Service land. The Forest Service, however, allows camping in the same spot for only 16 days; in addition, Federal Statutes permit camping for recreational purposes only. This means those who camp in one spot for more than 16 days and/or who are residing on Forest Service land are camping illegally. The number of people using Forest Service land as a home is unknown. The Forest Service has found campsites that present health and safety problems; other problems have arisen, such as theft. More structured private or local government-owned campground space could alleviate some of the seasonal housing problem, plus other potential health and safety problems, such as campers needing cooking fires when there are no burn restrictions.

Yurts and Tepees

Yurts and tepees are another option for provision of summer season housing. In order to be a viable option, however, access to kitchen and sanitary facilities, meeting County health codes, must be provided. There are some existing yurts and tepees, but only where the necessary facilities are provided should expansion of these uses be contemplated, and only for summer season use--similar to campgrounds.

B. SUMMARY STATEMENT OF GOALS AND OBJECTIVES

Goals:

1. To provide a variety of quality affordable housing for Teton County's socially and economically diverse population.
2. To establish a balanced program of incentives, requirements, and public and private actions to provide affordable housing.

Objectives:

1. Monitor affordable housing needs County-wide, by maintaining current and historical income, employment, and housing cost data.
2. Encourage innovation in development of affordable housing.

3. Allow a variety of housing types and sizes that are likely to be affordable to Teton County residents.
4. A portion of all residential development be housing that is affordable to Teton County residents.
5. Create housing stock to meet the needs of at least a portion of the County's seasonal employees.
6. Plan for and designate areas in both the Town and the County for varieties of housing types that are likely to diversify the affordable housing market.
7. Monitor the performance of affordable housing measures and make adjustments where possible to improve their effectiveness.
8. Support the efforts of the Jackson Hole Community Housing Trust to provide long-term solutions to the affordable housing problem.
9. Develop creative strategies to obtain land which is to be used exclusively for affordable housing.
10. Work with the State Legislature to create a dedicated tax-based funding source for affordable housing.
11. Explore public-private programs to provide affordable housing.

C. IMPLEMENTATION STRATEGIES

Affordable Housing Definition

The first strategy to address affordable housing issues is to adopt a definition of "affordable housing." What is the maximum amount a house can cost to be deemed affordable? Affordable to whom? Is "affordable" an absolute term, or a relative one? To better focus implementation policies and actions, the following definition of affordable housing has been adopted:

A dwelling unit which a household¹ earning 120 percent or less of the median family income in Teton County can either purchase, with a mortgage payment that does not exceed 30 percent of the gross household income, or rent, for which the gross rent and utility payments do not exceed 30 percent of the gross household income.

¹ Household means one or more persons living together as a single housekeeping unit.

As this Chapter illustrates, affordable housing, given the above definition, is not being provided by the market. Some mechanism must be instituted in order to cause development of affordable housing. Even then, it is unlikely that housing for households with incomes well below 120 percent of the median will be provided by developments complying with this definition, unless required to do so. Therefore, a system is needed that ensures provision of both owner-occupied and rental housing that is affordable to households with incomes equal to the median income and less than the median income, as well as 120 percent of the median income.

Affordable Housing Products

A second strategy is to classify affordable residential products and to identify the type of resident targeted for each type. Table 5.2 presents just such an analysis, along with an indication of the community character class in which each housing type might be expected to occur.

Table 5.2
Affordable Housing by Product Type

CHARACTER	PRODUCTS	RESIDENT
Urban & Auto-Urban	TYPE #1 - PRIMARILY RENTAL <p>Dormitories Single Room Occupancy Units Efficiency Apartments One-Bedroom Apartments Accessory Units</p>	Seasonal/Service Sector Employees
Primarily Auto-Urban	TYPE #2 - RENTAL OR PURCHASE <p>Two & Three Bedroom Apartments Duplex Triplex Fourplex Stacked Flats Townhomes Mobile Homes</p>	Service & Permanent/Professional Employees
Primarily Auto-Urban & Suburban	TYPE #3 - PRIMARILY PURCHASE <p>Single-Family Detached Homes Townhomes Condominiums</p>	Service & Permanent/Professional Employees

Affordable Housing Locations

Identifying suitable locations for affordable housing is an important planning strategy. Affordable housing is often met with neighborhood opposition once a specific site is proposed. While a character-based plan and regulations can offer a wide variety of housing opportunities, not every type is appropriate for every area of Teton County. Table 5.3 is an assessment of nine areas of the Town and County, and their possibilities for providing the three affordable housing product types.

Centralized water supply or sewage treatment systems, or both, are generally needed for development of Suburban or higher densities. Both of these services are available in and near the Town of Jackson. The Wilson and Teton Village areas have potential access to one or both of these services. Thus, other affordable housing locations must either have access to water and/or sewer services, or the appropriate environmental conditions must be present. A potential water supply in the vicinity that can be affordably developed and the capacity of the soils to handle closely spaced septic systems, are essential.

Other locational criteria are close proximity, or easy access, to shopping areas, public transportation nodes, and other services.

Regulatory Strategies

Following is a description of regulatory strategies which can address aspects of the affordable housing problem. A more complete list of all of the strategies considered during the planning process may be found in the Affordable Housing Issue Paper.

Density bonuses - Density bonuses may be granted to residential or commercial developers willing to restrict the price and/or occupancy of a portion of their development for employees or residents. Under normal market conditions, price restrictions on the housing units created by density bonuses is often unnecessary; however, as this Chapter has demonstrated, Teton County is experiencing market failure with respect to housing within a certain price range. Teton County's market is such that higher density alone will not guarantee development of affordable housing--the housing developed via density bonuses must be price restricted in order to guarantee the community is receiving what it needs for what it is willing to give, i.e., higher density.

As an example, housing required to be provided by residential or commercial development (see inclusionary housing and linkage requirements, below) could be made exempt from residential density (dwelling units per acre) and commercial floor area limitations, up to a specified maximum, providing the developer a bonus. Another approach would be to establish a base residential density and commercial floor area limitation and provide for a percentage or numerical increase in those limitations in return for on-site provision of affordable housing.

For the density bonus technique to be accepted by the community, it should be coupled with map designation of areas in the community where it is anticipated higher density development will be appropriate. Such areas have been identified on the Comprehensive Plan Map: in the County, they are mainly in Wilson, Teton Village, and South Park, within the Town of Jackson, they are principally in West Jackson.

Maximum floor area ratio - This strategy would limit the gross living area which could be built on a given lot. Usually such a requirement relates directly to community character objectives. Under certain land market conditions, however, it can tend to slow the upward spiral of land costs by clearly defining the amount of development permitted on a lot-by-lot basis. It is unlikely, however, that such limits will bring new dwelling units within the range that is affordable by residents of the community.

Flexible use of allowable floor area - This technique could replace density as a regulator of residential land use. It would give landowners a floor-area square footage limit for their lots, which could be used in several ways. For example, a 2,400-square-foot limit could be used to build one 2,400-square-foot single-family home, two 1,200-square-foot homes, three 800-square-foot townhouse units or four 600-square-foot apartments. The choice would be the landowner's, subject to all other standards of the character district being met.

Accessory units - Also known as caretaker units, granny flats, or garage apartments, accessory units can be integrated with, attached to, or built apart from a principal residence on the same lot or parcel. The size of accessory units should be limited to prevent excessive population densities and other adverse impacts on neighborhoods. Used independently or in conjunction with flexible floor area allowances, experience in other communities indicates this can be a highly effective strategy for encouraging much needed Type#1 housing.

TABLE 5.3
Assessment of Affordable Housing Potential by Location

LOCATION	PRODUCT TYPE #1	PRODUCT TYPE #2	PRODUCT TYPE #3
East Jackson	As accessory units only. No multifamily complexes. Poor access and lack of commercial services.	Probably No	Primarily lot-by-lot infill. No major subdivisions.
West Jackson	Vacant land suitable for use; good access, transit, commercial services. Opportunity for accessory units.	Yes	Yes, but most new units will be Type #1 & #2.
Cottonwood Park/Gregory Lane	Yes	Yes	Yes
South Park	Probably No	Northern part near High School Road only.	Only at Suburban densities or lower, and only in clustered developments.
Wilson	As accessory units only. No multifamily complexes.	Probably No	Auto-urban or lower densities, or in clustered developments.
Resorts	Yes, some on-site employee housing should be required.	Yes, subject to character considerations and commercial services.	No
Downtown	Yes. Opportunities for accessory units.	Probably No	No
Alta	As accessory units only. No multifamily complexes. Poor access and lack of commercial services.	No	No
Hoback Junction	Yes, mainly as accessory units.	Yes, if adequate utility services can be provided.	

Inclusionary zoning - This strategy requires that with every residential development (provided that a minimum threshold may be set), a certain percentage of lots and/or units be set aside as affordable or resident-occupied housing, to offset the impacts of that development on the need for affordable housing in the community. Lots and units produced through this strategy can be permitted to be smaller than others in the development, but design and quality of construction materials should be similar.

Housing replacement - When older affordable housing units in residential districts are demolished and replaced by new projects, or are converted to commercial or other uses, developers could be required to rebuild some percentage of the housing which was lost as affordable housing. This program is intended to maintain some of the community's traditional supply of affordable housing, so the housing program is not continually playing "catch-up". It also helps to preserve the character of existing neighborhoods by retaining a mix of full time residents in areas which may be re-developing for visitor accommodations or commercial uses.

Floor area/TDR blend - By blending floor area ratios with the ability to transfer development rights, a landowner could sell the development rights, but retain ownership of the land for agriculture or other purposes. Someone who wanted to only build a modest-sized house would agree to limit its maximum size and to limit occupancy only to a resident, in order to sell the remainder of the property's development rights, which would tend to off-set the cost for land and improvements.

Small single-family units - These units can be used to provide inexpensive alternatives to apartments, and could be as small as 495 square feet. Although unsuitable for a large or growing family, they can meet the needs of single people, the elderly, or young couples.

High-density zoning - This would involve designating locations on the character district map where affordable housing could be provided, and can be closely linked to the density bonus strategy. The actual districts could be suburban, auto-urban, or urban, depending upon location and the type(s) and density of housing targeted. This strategy should prove most effective in providing Type #2 housing within a residential district or urban intensity where accessibility, commercial services, and transit can support higher densities. An alternative to actually designating these areas on the Official Zoning Map would be to show them on the Comprehensive Plan Map, but not actually establishing zoning until development proposals are received and evaluated.

Linkage requirements - Developers of commercial projects could be required to mitigate the impacts of their development on the need for affordable housing in the community by providing housing for some percentage of the workers the completed project would employ. Linkage requirements typically quantify the number of workers each type of development will generate, based on the square footage of the project. In Aspen, Colorado, for example, a standard formula shows that every 1,000 square feet of office space will generate the equivalent of 3.5 full-time employees. Options could be provided to developers to meet their linkage requirements by building housing, paying a housing authority for the cost of the housing, or dedicating land for housing.

Programmatic Strategies

Encourage employers to address the problem - Employers could provide economic incentives which would open more of the housing market to their workers. Employers could share in closing costs, offer low-interest loans, or write down the interest rate. To recoup the investment, the employer could get a percentage of the unit's appreciation upon resale. Meanwhile, employees would build equity to use on their next purchase. Employers also could develop new units, or join other employers in a master leasing program, whereby they guarantee to make rental payments to encourage private construction of new rental units.

Housing Authority - It is unlikely that a wide range of affordable housing opportunities can be achieved without some direct governmental intervention, because some housing types will not be provided by the market. When communities experience this type of market failure, one response is to form a public housing authority which maintains an inventory of multifamily and/or single-family housing that is rented or leased at below-market rates to qualified individuals. Housing authorities were widespread throughout the U.S. in the late 1960's to mid 1970's when there was relatively abundant financial support from the federal government. Today, there are virtually no federal dollars for "public housing.

Yet, as demonstrated in this Chapter, there continue to be market failures that cause communities to consider development of housing for lower income households by the public sector. In order for a housing authority to be functional, however, a funding source is required.

The Town and County could work with the State Legislature to create a dedicated tax-based funding source which would be used by the Housing Authority to buy land and to create affordable housing (this tax could also be authorized for the acquisition of development rights and continued public bus service). Possible funding sources include a real estate transfer tax and a "bed, board and booze" tax.

Another possible funding source might be an exaction system for housing whereby developers of residential and nonresidential projects mitigate their impacts on the need for affordable housing by dedicating land and/or pay fees in lieu of building the units required by inclusionary housing and linkage regulations. The Housing Authority becomes the repository for land and funds.

With funding in hand, the public sector then has the financial means to cooperate with private developers in the creation of housing. The Housing Authority can (1) provide land or direct cash subsidies to developers, (2) recommend to reduce or waive tap fees, building permit fees and property taxes, and (3) float bonds to secure cheaper financing for housing projects.

Teton County has a Housing Authority which is currently involved in a joint venture with the Jackson Hole Community Housing Trust in constructing the first 36 permanently affordable housing units in the County. In addition to projects such as the one underway, the Housing Authority will have an important administrative role in the implementation of many of the regulatory strategies discussed earlier and in maintaining an up-to-date assessment of housing demand, so units which are produced fill a documented need. Any unit created by inclusionary zoning, linkage, replacement, or density bonus approaches would be managed by the Authority to make sure that residents are properly qualified, and that the objectives of each program are being met.

Housing Trust - A Housing Trust (in other parts of the country they are called Land Trusts) is a not-for-profit organization whose purpose is to provide permanently affordable housing, generally for community residents. Housing units are kept affordable over time because the Trust retains ownership of land, leasing it to "qualified" persons for development, or developing housing which is then leased to qualified persons.

Land value appreciation is controlled, thereby controlling generally the largest factor in high housing costs. The Trust generally has first right of refusal for resale of units built on Trust land. Renters and buyers are screened for qualifications that fit the purposes of the Trust, usually income, employment within the community, and current or recent residency within the community.

Teton County has a not-for-profit organization called the Jackson Hole Community Housing Trust (JHCHT.) In order to maintain a sense of community in Teton County, the Trust's objective is to provide affordable housing, for purchase, to low and moderate income households that are members of the community. JHCHT, in joint effort with the Teton County Housing Authority, broke ground on the initial project for both entities during the spring of 1993. The JHCHT's next project will be on an acre of land that was donated to the JHCHT. The Trust has the potential to partner with the County, to partner with other private entities, or develop projects on its own; the result in each case being provision of permanently affordable housing in the County.

D. RECOMMENDATIONS

From the overview of the issues presented in this chapter, it is evident that immediate action is needed to produce affordable housing. If recent trends continue, Teton County will continue to lose its socioeconomic diversity as surely as have other resort communities. Actions are needed to address the current, unmet need for affordable housing in Teton County and to insure that the future need for housing will be met. Because the housing which is currently being built by the "free market" is not affordable to the average household, is increasingly being targeted at nonresident purchasers, and is generally for sale, rather than rental, and because much of the existing housing stock has been bid-up beyond the reach of residents, it will be necessary to insure that the affordable housing needs generated by new development are mitigated.

However, just as the community's housing problems did not arise overnight, neither will they be resolved overnight. A single "big-bang" type of solution to the housing problem is not recommended, because such an approach would be out of character with the Town and County and could tend to drive out of the market those private sector individuals who have been providing some of today's supply of affordable units. Instead, a set of complimentary solutions to the problem should be pursued, allowing the community to monitor the results of each approach and to modify them to best suit the unique physical, social and economic needs of Town and County residents.

Other resort communities with housing problems have found it appropriate to initially focus their program on the needs of those segments of the housing market which are least capable of being met through the private market. As demonstrated in this Chapter, most of the resident housing market needs assistance. Rather than address only the segment that is least capable of being met through the private market, it is recommended that each segment receive assistance, in order to achieve the goal of providing a variety of housing for the community's diverse population. As a wide range of affordable housing types are developed, there will be changes in the housing market as it responds to these developments. It is, therefore, imperative, that the market be regularly monitored, to insure that affordable housing which is being produced fills its intended niche, and to continually refine the community's understanding of which types of households continue to need assistance.

The combination of approaches recommended for implementation include both regulatory and nonregulatory strategies. Regulatory strategies are either requirements needed to insure that residential, commercial and resort developments mitigate the impacts of their projects on the community's need for affordable housing, or are incentives, generally provided via the land development regulations, intended to make it attractive for developers to provide affordable housing of their own accord.

Nonregulatory strategies are identification of tasks that must be done in order to accomplish some part of the affordable housing program, such as obtaining a funding source or maintaining a data base in order to provide the best information available when considering adjustment to affordable housing programs.

Provision of land for affordable housing is important, since obtaining land will be a key to the long term success of the housing program. Cash-in-lieu payments should also be permitted, to provide flexibility for small projects to meet their affordable housing requirements, or when the standards cause the need to produce fractions of units. It is recommended, however, that the Town and County proceed with caution in broader applications of the cash-in-lieu option. It has been the experience of other communities that cash-in-lieu can become the option of choice for developers, leaving the public sector as the only actual producer of affordable housing. One outcome of public sector production is that affordable housing will typically be brought onto the market well after the impacts of the private sector development have been experienced.

For individuals with limited incomes to be able to afford housing created by these programs in the future, restrictions must be placed on their occupancy or price. Occupancy limits typically restrict rental or sale of the unit to persons who reside in and are employees of the community. Some occupancy limitations

set a priority system based on length of residency and include a minimum time of residency before the individual is eligible for affordable housing.

Price limitations typically restrict not only the unit's initial cost but also the amount by which it may annually appreciate. While limiting the rate of increase of rental units is a relatively straightforward matter, limiting the rate of increase of units for purchase is much more complex. Such limits require the homeowner to accept a formula unit value appreciation, which may be far less than the speculative market, in return for the public or private investments which subsidized the unit's creation and the purpose behind the entire endeavor--to keep the unit affordable. Price limits can be imposed which limit appreciation to a flat rate or to a chosen index of wages or cost of living. Care must be taken to select an index which will not allow the unit's price to rise more quickly than does the occupants' ability to pay.

It is recommended that the Town and County continue to pursue a dedicated, tax-based funding source to allow land to be purchased and affordable housing to be built. Continuing support for the Jackson Hole Community Housing Trust, and the establishment of a monitoring program to identify the need for program adjustments are also recommended.

Regulatory Actions

1. Implement affordable housing linkage requirements which require residential, and nonresidential development or expansion of existing development to mitigate their impact on the need for affordable housing in the Town and County.
2. Adopt flexible use of floor area allowance. This flexibility should be a permitted option where appropriate, such as urban and auto-urban areas.
3. Allow and encourage accessory units in appropriate areas to produce Type #1 housing stock.
4. Designate on the Comprehensive Plan Map, and Official Zoning Map, as appropriate, areas for "high density" housing. Product Types #1 and #2 should be targeted. Designated areas should have good road access via arterial and collector streets and be served by transit, be located close to commercial services, and not be lands which are constrained by resource protection standards.
5. Allow density bonuses for affordable housing where appropriate. Adopt density bonus provisions in conjunction with affordable housing linkage requirements, if determined to be necessary to maintain the profitability of new developments.
6. Provide for building permit and tap fee reductions or waivers for affordable housing projects. Evaluate methods of changing the way infrastructure costs are assessed against development (i.e., if costs were assessed by the square foot, rather than by the unit, it would make smaller, resident-oriented units more affordable and, coincidentally, address some of the impacts of large second homes on public services.)

Nonregulatory Actions

1. The Town and County should work with the State Legislature to create a dedicated tax-based funding source to buy land for, build and otherwise promote affordable housing. Possible funding sources include a real estate transfer tax and a "bed, board and booze" tax.
2. Staff the Housing Authority to manage affordable units created by regulatory means, and to administer nonregulatory programs.
3. Conduct a legal analysis of alternative methods for insuring that units which are produced are properly restricted to ensure maintenance of affordability. Methods which should be analyzed include, but are not limited to, deed restrictions and long term land leases.

4. Initiate a program among the Housing Authority, Housing Trust, and Town and County planning departments to educate employers on what they can do to promote affordable housing.
5. Continue to support the programs of the Jackson Hole Community Housing Trust.
6. Establish a comprehensive monitoring program for housing production, cost, and income data. The program should monitor the effectiveness of all housing efforts County-wide, and should be the basis for any changes or adjustments to those efforts.
7. Continue to analyze strategies aimed at preserving the existing affordable housing inventory, while new inventory is produced. Such strategies could include, but not be limited to, replacement housing requirements, regulatory and economic measures to limit or tax real estate speculation, and techniques, including State legislation, to offset the impact of rising property taxes due on the ability of long term residents to afford to remain in Teton County.

CHAPTER 5

Appendix A

AFFORDABLE HOUSING NEEDS ASSESSMENT

A. GENERAL INTRODUCTION

The community of Jackson/Teton County has been experiencing rapid development. The official population grew from 9,355 in 1980 to 11,172 in 1990 and this trend has continued after 1990. These data, however, reflect only the permanent population and do not show the full impact of the growth. The more dominant component of the growth has been in seasonal and nonresident population. For this reason employment is a better measure of the growth than population. The 1980 employment was 4,325 while the 1990 employment was 13,326. Employment grew seven percent per year while population grew two percent per year, eventually leading to the 1990 condition in which there were more jobs in Teton County than permanent residents. This indicates two significant events: (1) that permanent population growth is not the driving force in the local economy; and (2) that labor is imported.

This growth in Jackson and Teton County has resulted in significant economic opportunity together with rising property values. Both are generally considered desirable, however, there are negative sides to these results that must be addressed. The rapid pace of economic development has resulted in labor shortages and the rising property values have compounded the labor problem by increasing housing prices, making difficult the importation of a labor force. The rising housing costs have reached a point where, not only the importation of labor is difficult, but the resident labor force is unable to maintain housing in Jackson and Teton County unless the bought housing before the prices began to increase. The result is a trend in which the labor force is moving out of the county, creating the problems of long commutes, traffic congestion and high rates of absenteeism. The highly seasonal nature of the local economy compounds these problems.

These characteristics are shared by a number of areas within the country. Relatively isolated places with high amenities, especially natural amenities, all experience these problems. Tourists and second home purchasers discover these places and, in so doing, bring both opportunity and challenges. Colorado resort communities, several of the Florida and Hawaii communities, and areas such as Hilton Head, SC, all share these problems and have explored some means of alleviating these situations. The primary concern of Jackson/Teton County, together with all similar communities, is to address these problems in such a way that the basic reason for the community's success is not threatened.

There have been numerous examples of areas that either ignored the situation or proposed inappropriate solutions. Atlantic City, NJ, and Miami Beach, FL, are two well known examples. Both were popular tourist areas that attracted a large number of seasonal residents along with tourists. These communities did not address the accompanying problems and eventually lost their attraction to the seasonal residents and tourists. Atlantic City turned to casino gambling in an attempt to reverse this situation and Miami Beach used its proximity to the Miami metropolitan area as a base for redevelopment. Atlantic City's success with casino gambling has been less than anticipated, although it certainly has brought back the tourists. But the large number of tourists visiting the Boardwalk casinos has not led to the renovation of the community (see George Sternlieb, *The Atlantic City Experience*, Rutgers.) Miami Beach enjoyed more success than Atlantic City but it is in the unique situation of being a prime ocean front community within a metropolitan area of over 2,000,000 population. Both of these experiences, along with many others, have taught the lesson that the best cure is prevention (see Fred Bosselman, *In the Wake of the Tourist*, Washington: Conservation Foundation, 1976).

Jackson and Teton County are approaching the same situation. Within the context of meeting legitimate community needs, it must preserve the essential attraction that was the basis for development to date. If this

economic base is not protected, the Jackson/Teton County community will enjoy a brief moment in the sun, followed by the tattered remains that may readily be seen in once popular areas.

The need to protect and preserve Jackson Hole is obvious. But within this context, the community must meet the legitimate needs of the local economy and its citizens. One of the most fundamental needs of all individuals, together with the economy, is shelter. A successful economy requires an abundant supply of housing at prices consistent with prevailing wages. Individuals require affordable housing in order to attain any quality of life. This then is one of the fundamental goals of Jackson and Teton County: to provide an adequate supply of affordable housing in order to meet the legitimate needs of its citizens and to meet the needs of the local economy.

B. PROBLEM DESCRIPTION

Housing Costs

Between 1986 and 1993, as shown in Table 1, the median price of a residential lot increased from \$64,000 to \$180,000, an annual appreciation rate of 15.92 percent. The median price of a single-family house rose from \$90,000 to \$235,000, a 14.70 percent annual increase, for the same time period.

TABLE 1
MEDIAN HOUSING AND RESIDENTIAL LOT COSTS
JACKSON/TETON COUNTY, 1986-1993

Year	Single-Family Homes		Condos & Townhomes		Residential Lots	
	Median Sale Price	# Sold	Median Sale Price	# Sold	Median Sale Price	# Sold
1986	\$ 90,000	178	\$100,500	119	\$ 64,000	156
1987	\$120,000	197	\$ 95,200	138	\$ 75,000	145
1988	\$106,000	239	\$ 95,000	208	\$ 70,000	265
1989	\$150,000	234	\$109,000	276	\$107,000	515
1990	\$155,000	214	\$144,700	188	\$ 85,000	384
1991	\$157,500	209	\$152,700	189	\$110,000	274
1992	\$200,000	234	\$140,000	277	\$175,000	298
1993	\$235,000	230	\$126,000	230	\$180,000	335
Change from 1986 to 1993	161.11%		25.37%		181.25%	
Average Annual Change	14.70%		3.28%		15.92%	
Source: Multiple Listing Service, Jackson/Teton County, Wyoming 1993						
NOTES:						
¹ MLS data is supplemented by research into deeds at the Teton County Clerk's Office.						
² Residential lots consist of land that cannot be further subdivided.						

Data from the Multiple Listing Service further show that the number of homes sold for less than \$100,000 has been steadily dropping since 1988. One hundred homes sold for less than this price in the second half of 1988, but during the second half of 1991, only 18 single-family homes sold for less than \$100,000 (see Summit Management Consulting, *An Updated Study of the Affordable Housing Situation in Teton County, Wyoming, 1992*).

Between 1986 and 1990, approximately 1,100 residential units were built in Teton County, roughly a 21 percent increase in the housing stock compared to a 19 percent population increase for the entire decade. Despite this increase in the housing stock, the median price of a single-family house rose 72 percent from \$90,000 to \$155,000. The median price of townhouses and condominiums increased from \$100,500 to \$144,700, a jump of 44 percent.

Land Costs Drive Housing Cost

The comparison of the price increase of lots and single-family homes reveals that the increase in land value is the driving factor in the cost of housing in Teton County. The construction cost of building a house has increased at a more normal rate. Table 2 compares the median sale prices of single-family homes and residential lots between 1986 and 1993. When the median lot price is subtracted from the median house price, the lot price grew by 15.7 percent per year between 1987 and 1993, while the remaining unit value (housing cost minus land cost) appreciated 3.4 percent per year. Figure 1 illustrates that of these two components of housing cost, the increase in land cost has driven the cost of housing in Teton County.

If land cost had grown at the same annual rate as the unit value, illustrated in Figure 2, the median sales price in 1993 would have been approximately \$130,000, easily affordable to families earning the County's median income.

TABLE 2
COMPARISON OF MEDIAN HOUSING AND LOT COSTS
JACKSON/TETON COUNTY, 1986-1993

Year	Median House & Lot Cost (Total Cost)	Median Lot Cost	Unit Value (Total Cost - Lot Cost)
1986	\$ 90,000	\$ 64,000	\$26,000
1987	\$120,000	\$ 75,000	\$45,000
1988	\$106,000	\$ 70,000	\$36,000
1989	\$150,000	\$107,000	\$43,000
1990	\$155,000	\$ 85,000	\$70,000
1991	\$157,500	\$110,000	\$47,000
1992	\$200,000	\$175,000	\$25,000
1993	\$235,000	\$180,000	\$55,000
Change from 1986 to 1993	95.8%	140.0%	22.2%
Average Annual Change	11.9%	15.7%	3.4%
NOTE:			
¹ Base year for percentages is 1987.			

FIGURE 1

HOUSING PRICES AND COMPONENTS TETON COUNTY

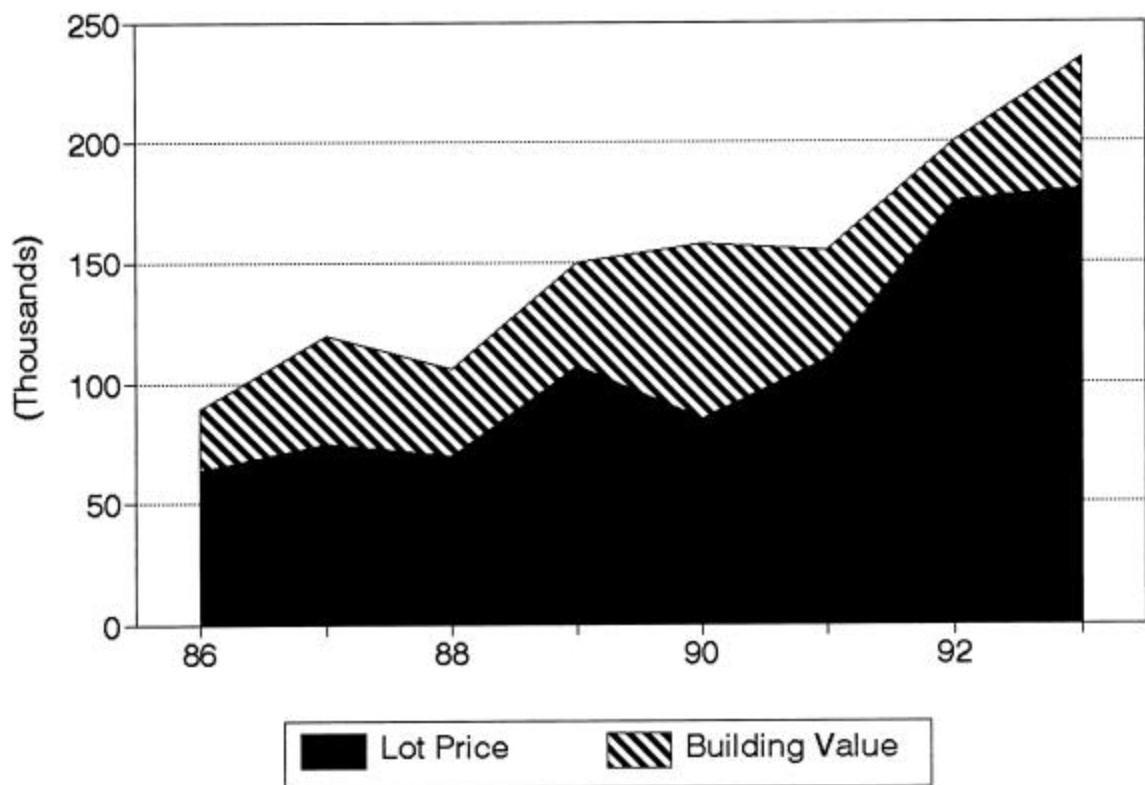
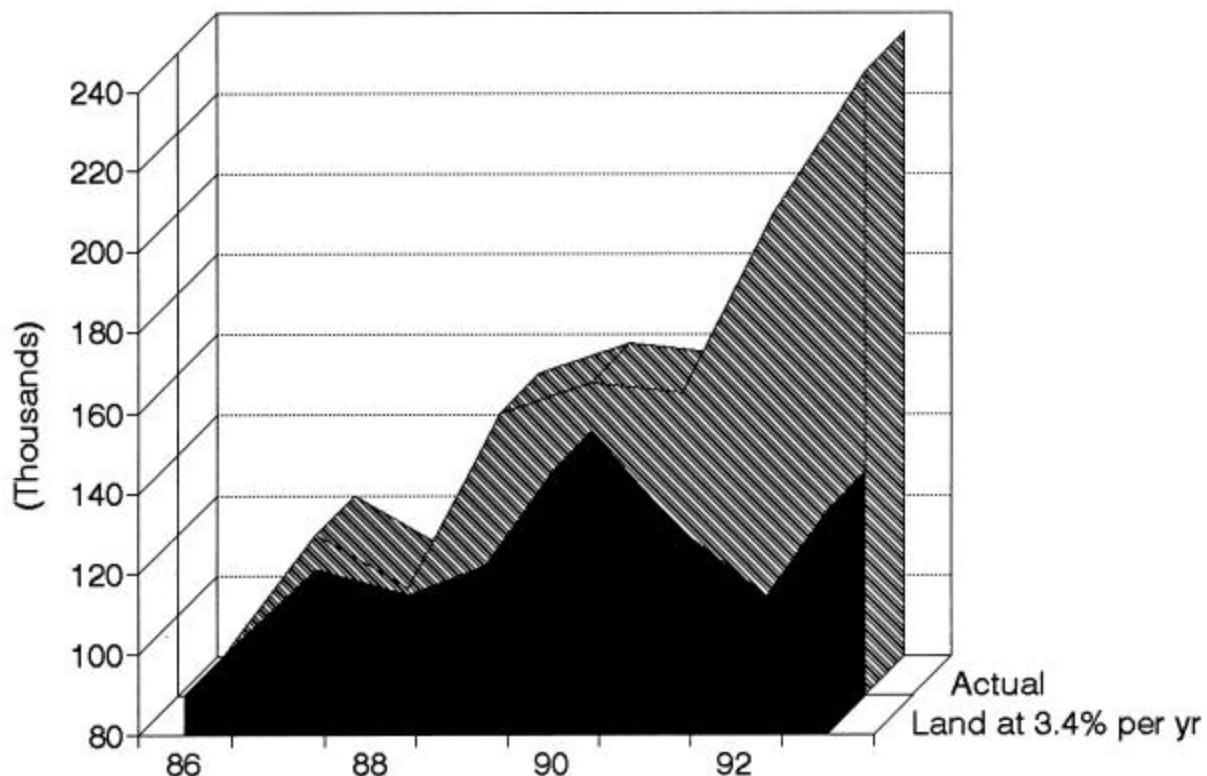


FIGURE 2

HOUSING PRICES TETON COUNTY



Housing Costs Outstrip Income Growth

Table 3 shows that the median income in Teton County grew at an annual rate of 5.51 percent during the same period in which the median housing cost grew at a rate of 14.7 percent per year. A general rule of thumb over the years has been that a household can afford housing valued at approximately 250 percent of the household income. Applying this rule, housing was clearly unaffordable in Teton County in 1986. But the most striking fact from Table 3 is the rate at which the growth of the median housing cost has outstripped the growth of the median income, demonstrating the rate at which housing is becoming increasingly unaffordable. Figure 3 depicts the trend of median housing price growing faster than the median income as the median house price reached 635 percent of the median income in 1993.

TABLE 3 MEDIAN SALES PRICES OF NEW SINGLE FAMILY HOMES AND MEDIAN HOUSEHOLD INCOME JACKSON/TETON COUNTY, 1986-1993			
Year	Median Single - Family Home Price	Median Household Income	Median Price as Proportion of Income
1986	\$ 90,000	\$25,417	354.09%
1987	\$120,000	\$26,818	447.46%
1988	\$106,000	\$28,296	374.61%
1989	\$150,000	\$29,855	502.43%
1990	\$155,000	\$31,500	492.06%
1991	\$157,500	\$33,236	473.88%
1992	\$200,000	\$35,067	570.34%
1993	\$235,000	\$36,999	635.15%
Average Annual Change	14.70%	5.51%	

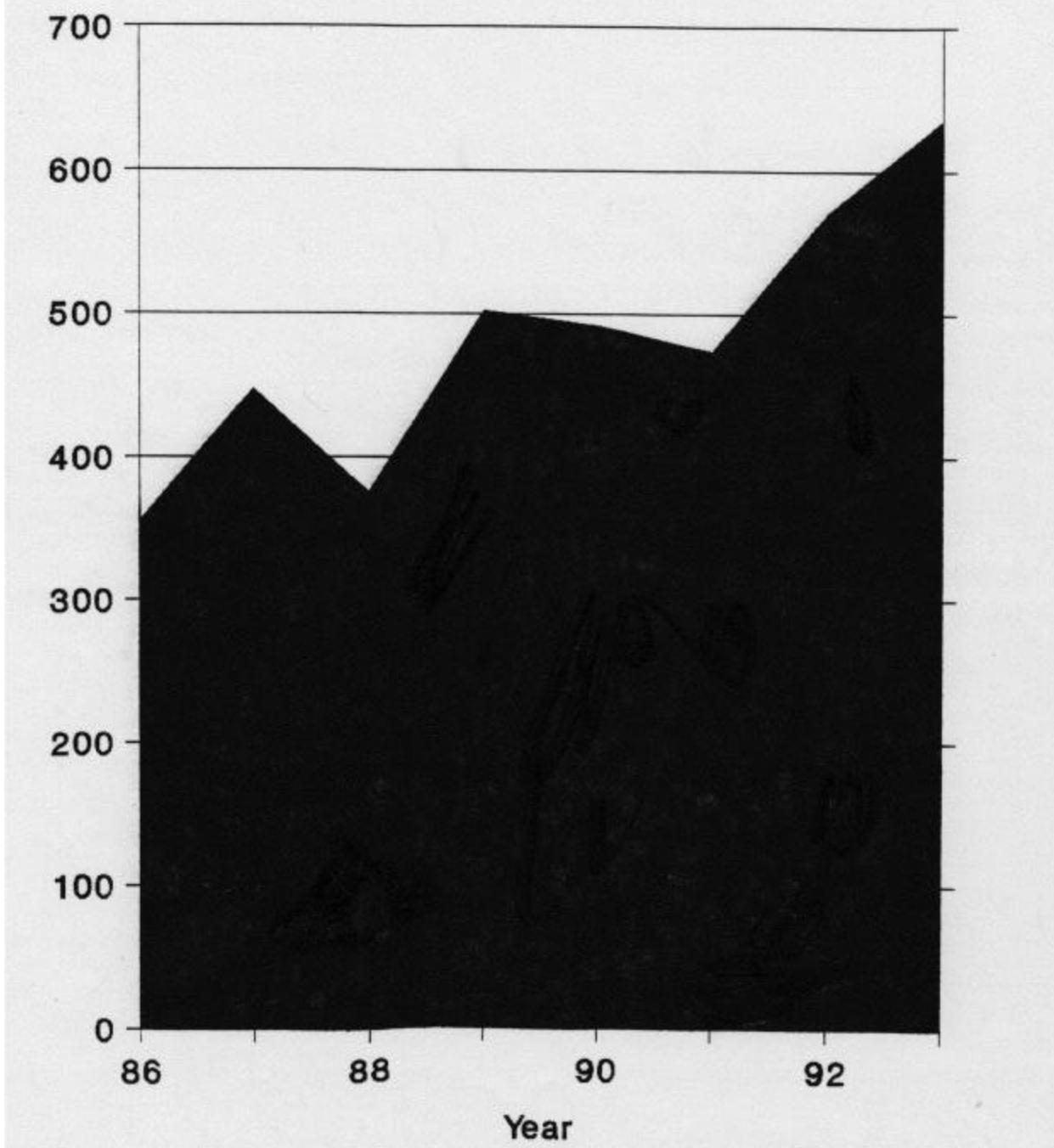
Source: 1980 and 1990 Census of the Population.

NOTE:

¹ Household income data were available only for 1980 and 1990. All other years are interpolated or extrapolated from these points.

FIGURE 3

HOUSING PRICE AS A % OF FAMILY INCOME TETON COUNTY



Teton County Incomes Are In Line with National Incomes While Local Housing Costs Exceed National Costs

The problem of unaffordable housing could be a result of unusually low incomes or uncommonly high housing prices. Looking first at income, the Teton County median income is comparable to the national median income. Table 4 depicts that the local median income was very close to that of the nation in the beginning of the 1980's and grew slightly faster through 1993. Teton County incomes are not out of line with the national incomes and are not the cause of the local housing problem.

TABLE 4
MEDIAN INCOME FOR US AND JACKSON/TETON COUNTY
1980-1993

Year	US Median Income	Teton County Median Income
1980	\$17,710	\$18,423
1981	\$19,074	\$19,438
1982	\$20,171	\$20,509
1983	\$21,018	\$21,639
1984	\$22,415	\$22,832
1985	\$23,618	\$24,090
1986	\$24,897	\$25,417
1987	\$26,061	\$26,818
1988	\$27,225	\$28,296
1989	\$28,906	\$29,855
1990	\$29,943	\$31,500
1991	\$30,126	\$33,236
1992	\$30,871	\$35,067
1993	N/A	\$36,999
Average Annual Change	4.95%	5.51%

Sources: National data are from Statistical Abstract of the US, 1993, page 720. County data are from 1980 and 1990 Census of the Population, with other years interpolated or extrapolated from these two points.

NOTE:
¹ 1992 National income is estimated.

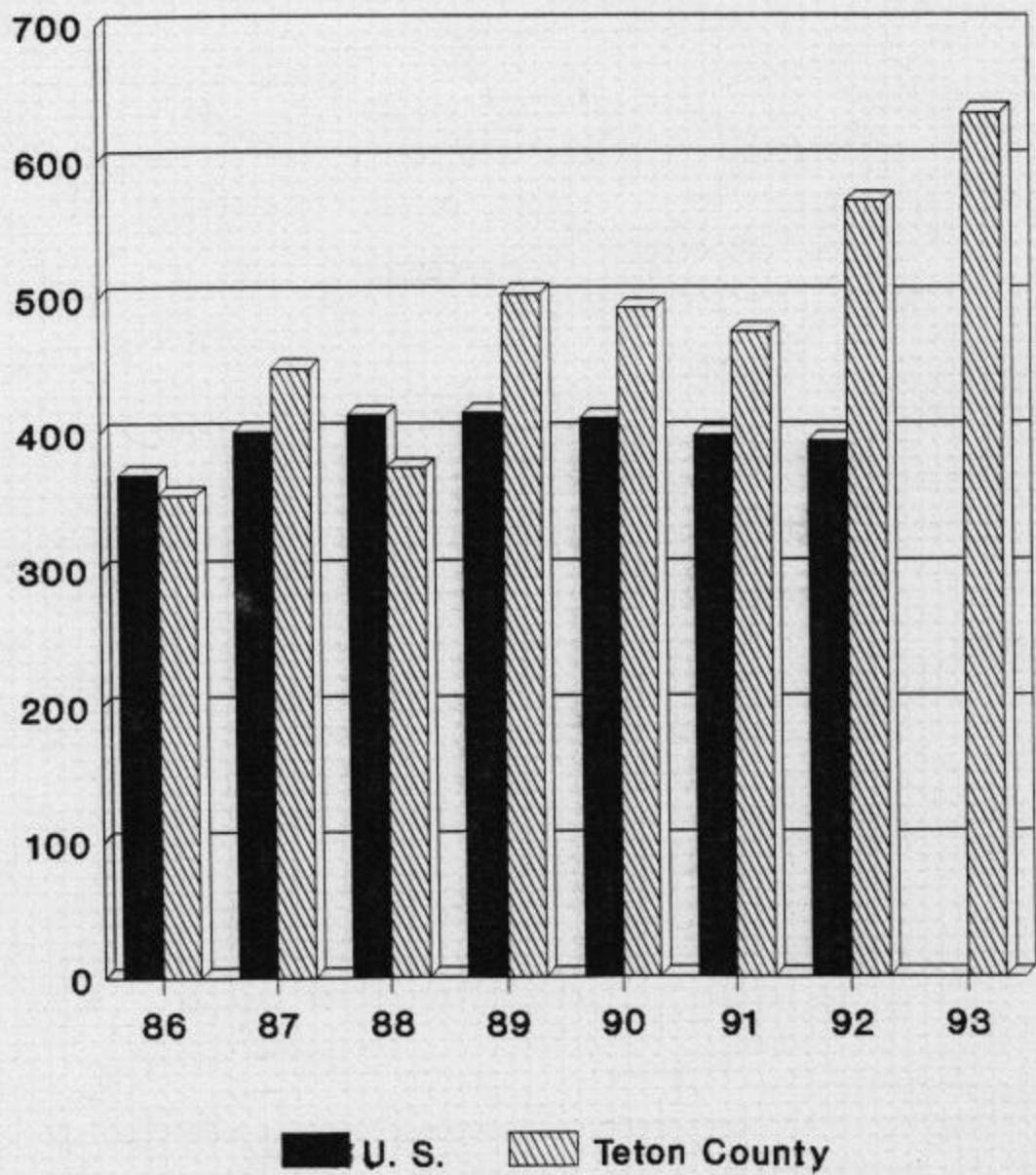
While local incomes are comparable to national incomes, housing prices in Teton County have become significantly higher than in the nation as a whole. Table 5 states that the 1986 median housing price was \$90,000 in Teton County and \$92,000 in the US. However, the Teton County median cost for a new house grew 14.7 percent per year between 1986 and 1993, compared to 4.56 percent in the US, resulting in far more expensive housing in Teton County. The comparison of the median housing price to the median income reveals a problem of affordable housing in the entire nation, but the problem is growing much faster and much worse in Teton County where the median house price is 635 percent of the median income. Figure 4 illustrates, however, that the median house price as a percentage of median income has begun decreasing for the nation as a whole, but is significantly increasing in Teton County.

TABLE 5 MEDIAN HOUSING PRICES FOR THE US AND JACKSON/TETON COUNTY 1986-1993		
Year	US Median Housing Price	Teton County Median Housing Price
1986	\$ 92,000	\$ 90,000
1987	\$104,500	\$120,000
1988	\$112,500	\$106,000
1989	\$120,000	\$150,000
1990	\$122,900	\$155,000
1991	\$120,000	\$157,500
1992	\$121,500	\$200,000
1993	N/A	\$235,000
Average Annual Change	4.56%	14.70%

Sources: National data from the Statistical Abstract of the US, 1993, pages 720 and 712. County data are from Multiple Listing Service, Jackson/Teton County, Wyoming, 1993.

FIGURE 4

**HOUSING PRICE AS % OF FAMILY INCOME
TETON COUNTY & USA**

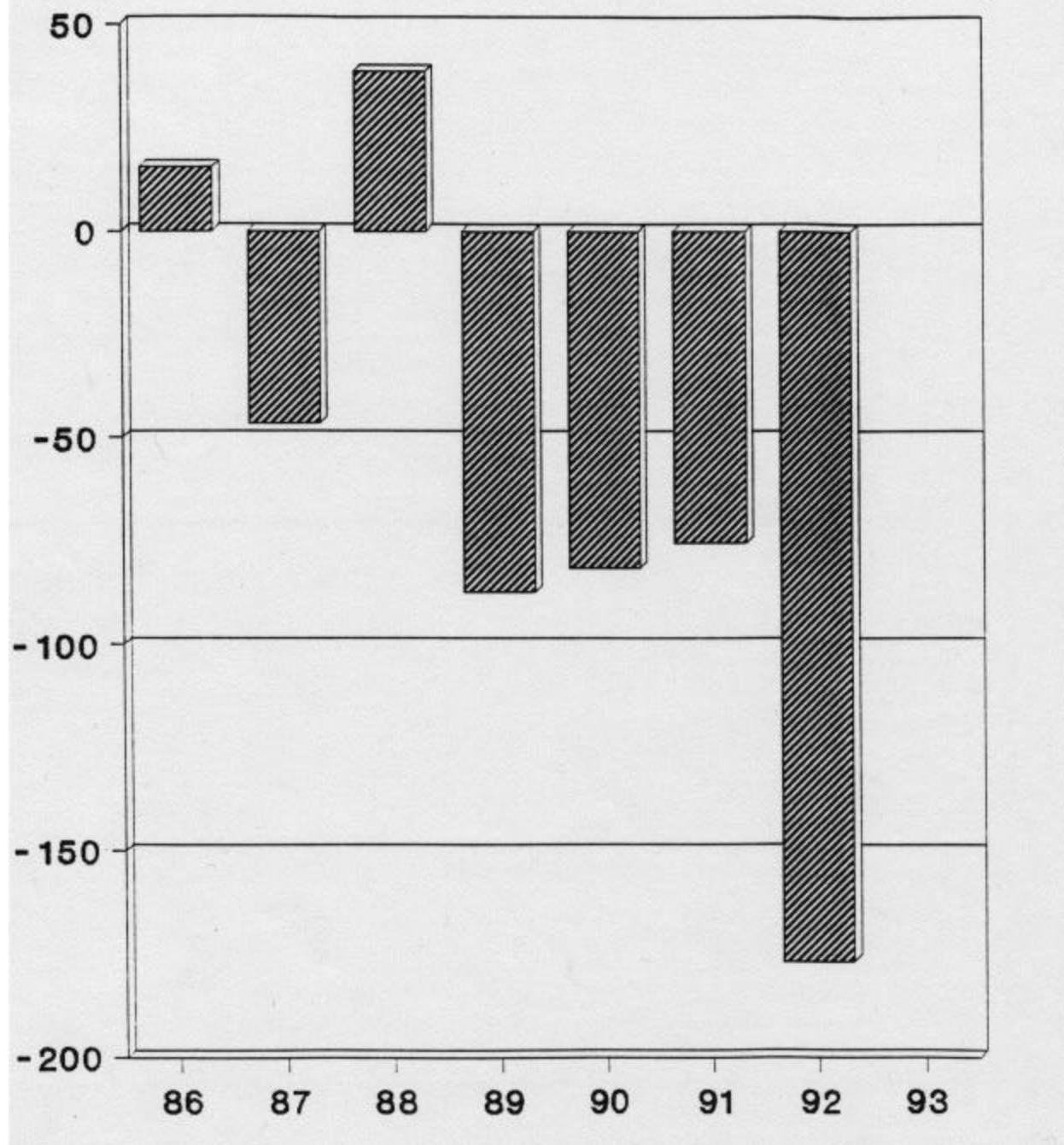


To further compare housing affordability of the nation to that of Teton County, Table 6 creates a comparative measure by subtracting the Teton County percentage from the national. In other words, subtracting the County affordability measure (median price as percentage of median income) from the national affordability measure shows a growing divergence from 1986 to 1992. Figure 5 depicts the trend graphically.

TABLE 6 HOUSING AFFORDABILITY JACKSON/TETON COUNTY, 1986-1992			
Year	US Median Housing Price as Proportion of Median Income	Teton County Median Housing Price as Proportion of Median Income	Teton County Affordability Difference
1986	369.52%	354.09%	15.43
1987	400.98%	447.46%	-46.48
1988	413.22%	374.61%	38.61
1989	415.14%	502.43%	-87.29
1990	410.45%	492.06%	-81.61
1991	398.33%	473.88%	-75.55
1992	393.57%	570.34%	-176.77
1993	N/A	635.15%	N/A

FIGURE 5

TETON COUNTY HOUSING AFFORDABILITY BASED ON NATIONAL NORM



Why the Affordable Housing Problem?

One possible reason is that the local industry mix has changed and created a different population distribution across income, and therefore altering the match between the ability to pay by local households and the cost of housing. However, Table 7 shows a high degree of stability in the industry mix of the County. Construction has increased its role in total employment but this is the only significant shift. Teton County was an economy highly dependent on trade and services, which is typical of tourist areas, in 1969 and the same mix existed in 1990. These data suggest stability in the composition of the work force and it would follow then that the housing situation in Teton County does not result from changes in the industrial character of the area.

TABLE 7
EMPLOYMENT BY INDUSTRY IN JACKSON/TETON COUNTY
1969, 1980, AND 1990

Industry	1969		1980		1990	
	Jobs	Sector Proportion	Jobs	Sector Proportion	Jobs	Sector Proportion
Service	1,331	41.36%	1,561	36.09%	5,279	39.61%
Retail Trade	602	18.71%	1,277	29.53%	3,090	23.19%
Construction	237	7.36%	509	11.77%	1,633	12.25%
Finance, Insurance, Real Estate	81	2.52%	208	4.81%	842	6.32%
State/Local Government	299	9.29%	N/A	N/A	951	7.14%
Transportation, Public Utilities	63	1.96%	189	4.37%	326	2.45%
Manufacturing	90	2.80%	374	8.65%	310	2.33%
Wholesale Trade	30	0.93%	111	2.57%	185	1.39%
Federal Government	232	7.21%	N/A	N/A	382	2.87%
Agricultural Services	25	0.78%	15	0.35%	133	1.00%
Agriculture	198	6.15%	N/A	N/A	192	1.44%
Mining	30	0.93%	N/A	N/A	3	0.02%
Total	3,218	100%	4,325	100%	13,326	100%

Source: *An Economic Profile of Teton County, Wyoming: Diversity, Dependency, and Growth*, prepared for the Teton County Commissioners by David T. Taylor, Jean Skidgel and Robert R. Fletcher, 1993.

TABLE 8
JACKSON/TETON COUNTY EMPLOYMENT GROWTH BY INDUSTRY, 1969-1990

Industry	Growth Amount	Percent Change	Average Annual Change
Service	3,948	296.62	6.78%
Retail Trade	2,488	413.29	8.10%
Construction	1,396	589.03	9.63%
Finance, Insurance, Real Estate	761	939.51	11.79%
State/Local Government	652	218.06	5.66%
Transportation, Public Utilities	263	417.46	8.14%
Manufacturing	220	244.44	6.07%
Wholesale Trade	155	516.67	9.05%
Federal Government	150	64.66	2.40%
Agricultural Services	108	432.00	8.28%
Agriculture	-6	-3.03	-0.15%
Mining	-27	-90.00	-10.38%
Total	10,108	314.11	7.00%

Source: *An Economic Profile of Teton County, Wyoming: Diversity, Dependency, and Growth*, prepared for the Teton County Commissioners by David T. Taylor, Jean Skidgel and Robert R. Fletcher, 1993.

It should be noted, however, that employment growth in Teton County has been dominated by services, retail trade and construction. Collectively these industries constitute 78 percent of all employment growth in the County. The 7.00 percent annual economic growth is considered to be very rapid and compares to the national growth rate of 2.1 percent per year for the same time period (Statistical Abstract of the US, 1990, p. 378).

Two problems result from what would be an otherwise happy trend of economic development. First, the majority of new employment opportunities are in low wage industries and, the pace of growth is so rapid that it is unlikely that social and community infrastructure can keep pace.

Second Home Market

A second possible reason is the burgeoning second home market in the County. During the 1980's the number of new homes built to accommodate Teton County household growth was 1,076 while a total of 1,836 residential units were constructed (see Table 9). This shows a second home demand of 760 units; approximately 69 per year, or 41 percent of all new dwelling units during this period were for second home or vacationing nonresidents. The data reveal a ratio of 1.7 new dwelling units per new household.

This was a dramatic change in the housing trends in Teton County. It is the second home and vacation home market that has been the primary factor in the rising land and housing prices in the County by adding demand.

TABLE 9
NEW RESIDENTIAL DWELLING UNITS AND NEW HOUSEHOLDS
JACKSON/TETON COUNTY, 1980-1990

Year	Dwelling Units Permitted	Resident Population	Total Population	Total Households
1980	162	9,355	10,411	4,045
1981	156	9,900	10,982	4,288
1982	122	10,500	11,609	4,556
1983	139	10,700	11,837	4,668
1984	89	10,600	11,765	4,664
1985	78	10,100	11,294	4,500
1986	87	10,200	11,424	4,575
1987	101	10,500	11,755	4,732
1988	176	10,800	12,086	4,890
1989	378	11,000	12,318	5,010
1990	348	11,172	12,523	5,120
Total Increase from 1980 to 1990	1,836	1,817	2,112	1,076
Proportional Change from 1980 to 1990	N/A	19.42%	20.29%	26.60%
Average Annual Change	167	182	211	108

Sources: 1980 and 1990 Census of the Population; National League of Cities, 1985 estimates of population and households; Wyoming department of Administration, Division of Economic Analysis, for interim years population estimates between 1981 and 1989.

The 1990 Census of Housing confirms this by reporting 1,774 dwelling units occupied by nonresidents. This is up from 723 in 1980, meaning an increase of 1,051 dwelling units occupied by nonresidents. Given the fact that nonresident households grew by 1,051 while nonresident dwelling units grew by 760, 291 year-round households were squeezed out of the local housing market by nonresident households. This rapid increase in the number of second and vacation homes resulted in an increase of the "non-local" homes from 15 percent of the 1980 housing stock to 30 percent of the 1990 housing stock, while the percentage of the homes occupied by permanent residents dropped from 85 percent to 70 percent.

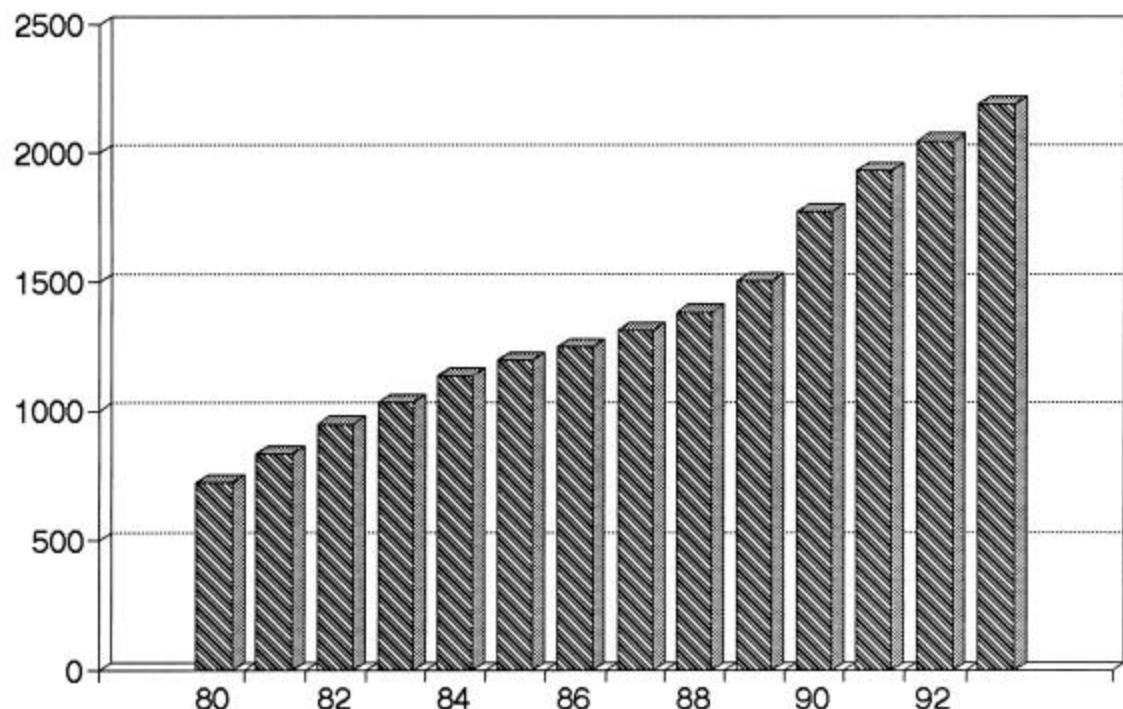
Figure 6 illustrates the steady growth of the external demand for housing represented by the increase in the number of households occupied by seasonal and short-term residents and residents who have their second home in Teton County. Table 10 shows the increase in total housing units and the growth of housing units that are fulfilling the external demand. Between 1980 and 1993, housing units for the external demand constituted 57.9 percent of the housing growth.

TABLE 10
RESIDENTIAL BUILDING PERMITS, DWELLING UNITS
AND EXTERNAL HOUSING DEMAND
JACKSON/TETON COUNTY, 1980-1993

Year	Building Permits	Total Dwelling Units	External Demand
1980	162	4,895	723
1981	156	5,057	837
1982	122	5,213	948
1983	139	5,335	1,034
1984	89	5,474	1,132
1985	78	5,563	1,195
1986	87	5,641	1,250
1987	101	5,728	1,311
1988	176	5,829	1,383
1989	378	6,005	1,507
1990	348	6,383	1,774
1991	265	6,731	1,932
1992	194	6,996	2,047
1993	235	7,190	2,187

FIGURE 6

EXTERNAL HOUSING UNITS TETON COUNTY



The Aspens development in the county presents an example of this trend. There are several hundred condominium units at the Aspens and for many years these were a repository for hundreds of seasonal workers. It is now more lucrative for landlords to rent their units to short-term vacationers. The experience of the Jackson Hole Racquet Club in the Aspens demonstrates this: while essentially as many units were under management in 1991 as in 1984, the mix of occupants has dramatically changed. In 1984, 55 percent of the units were rented on a long-term basis while 45 percent were rented short-term. In 1991, only 13 percent of the units were rented on a long-term basis and 87 percent were short-term rented. The result is that nearly 60 units that used to house permanent residents are no longer available for such individuals (see Summit Management Consulting, *An Updated Study of the Affordable Housing Situation in Teton County, Wyoming*, 1992.)

Further demonstrating the shift in the housing market from serving the demand of the permanent residents to serving the second and vacation home market is the fact that long-term rentals for occupancy by local residents increased by only 11 percent during the 1980's, barely more than one-half of the 19 percent population growth (see Summit Management Consulting, *An Updated Study of the Affordable Housing Situation in Teton County, Wyoming*, 1992.)

The portion of the Teton County population that occupies second homes is further illustrated by the 9,245 registered voters that may be contrasted with a 1990 census count of 11,172 permanent residents and a 1994 estimate of 13,321. It is not possible to have over 9,000 registered voters out of a total population of 13,000. This simply means that there is a group of individuals who count Teton County as their home but are not so counted by the definitions employed by the census. From the perspective of the housing market, however, these households would appear as permanent residents regardless of their census definition.

The data in this assessment clearly show that there is a substantial vacation and second home market in Teton County and that the dominant force in the housing market is the construction of vacation and second homes for this portion of the local population. This activity is primarily an adjunct of the tourist industry. Typically, individuals visit areas such as Jackson Hole as tourists and because of their enjoyment of the area select it as a place for a second or vacation home.

Reasons for the Growth of the External Demand

Several factors likely contributed to the growth of the second home market during the 1980's and continue to affect it now. The Federal Aviation Administration issued authority for commercial airlines to provide jet service into the Jackson Hole Airport in 1983. Prior to the commercial air service, Teton County was very remote and unaccessible. The nearest airports were in Billings, MT, Salt Lake City, UT and Denver, Co. Once commercial air service became available in Jackson Hole, the county became greatly more accessible and attractive to people across the country. The increase in airport activity prompted a terminal expansion in 1988.

In the late 1980's, two high end developments, Teton Pines and Spring Creek Ranch, began marketing to potential buyers of second and vacation homes. These marketing campaigns significantly increased the visibility of Teton County to people with the means to live in Jackson Hole on a part-time basis.

The national economic climate also contributed to the growth of the external housing demand. The economic prosperity enjoyed by many across the nation and the changes of the income taxing structure in the 1980's created the opportunity for many to look to Teton County as a second home or vacation area.

Second Home Buyers Have More Purchasing Power Than First Time Buyers

Second home buyers not only increase the demand for house lots in the local housing market, they bring greater purchasing power to the market. There is no direct data on point, but national data report that the median purchase price paid by first time home buyers is \$122,400 and \$158,000 by repeat buyers (Statistical Abstract of the US, 1993, page 734). This second home demand will cause the market to

serve it rather than the housing demand of permanent residents simply because second home buyers have greater means.

C. EXISTING INTERNAL HOUSING DEMAND

The Jackson Hole Chamber of Commerce and the Teton County Housing Authority conducted a survey designed to quantify the existing need for affordable housing units in Teton County. The existing need for affordable housing, as contrasted with the external need defined above, is the demand for housing created by the local work force.

The survey was distributed to local employees through all of the Chamber of Commerce membership and represents the local work force as of October, 1993. The respondents consisted of people who defined themselves as local, year-round, full-time employees. They may reside in the County or outside of the County but wish to live in Teton County because of their place of local employment.

The 1,699 responses were extrapolated to the total work force to produce the survey results. The October, 1992, work force was 10,602 based on data from the Wyoming Department of Employment and growing at an annual rate of 4 percent. Therefore the 1,699 responses were extrapolated to a work force of 10,602(1.04), or 11,026.

The survey revealed an internal demand for 172 owner-occupied housing units, as shown in Table 11 and 228 rental units, as described in Table 12. These results of ownership demand are based on the standard that the household can afford a mortgage of approximately three times the annual income and afford a 10 percent down payment. Note should be taken that if Teton County housing costs were roughly equivalent to the national norms, there would be no net need for affordable housing within the county.

**TABLE 11
INTERNAL NEED FOR OWNERSHIP HOUSING UNITS
JACKSON/TETON COUNTY, 1993**

Monthly Household Income Range	Maximum Mortgage Affordable	Maximum Sale Price Affordable	Internal Need
\$1,600 - \$1,999	\$ 71,000	\$ 78,000	14
\$2,000 - \$2,399	\$ 86,000	\$ 94,000	29
\$2,400 - \$2,799	\$102,000	\$112,200	32
\$2,800 - \$3,199	\$118,000	\$129,800	26
\$3,200 - \$3,599	\$133,000	\$146,300	22
\$3,600 - \$3,999	\$149,000	\$163,900	14
\$4,000 - \$6,000	\$189,000	\$207,900	35
Total Internal Need			172

Source: *Affordable Housing Needs Study*, Jackson Hole Chamber of Commerce and Teton County Housing Authority, 1993.

Table 12 details the internal demand for rental housing based on the Chamber/Housing Authority survey. For purposes of this assessment, it was assumed that households had two incomes. A capitalization rate of 10 percent was used to determine the value equivalent for rental housing and the maximum affordable rent was 30 percent of the household income.

TABLE 12
INTERNAL NEED FOR RENTAL UNITS
JACKSON/TETON COUNTY, 1993

Monthly Household Income	Maximum Rent Affordable	Equivalent Dwelling Unit Value	Internal Need
Under \$1,800	\$ 540	\$ 64,800	18
\$1,800 - \$2,199	\$ 660	\$ 79,200	39
\$2,200 - \$2,599	\$ 780	\$ 93,600	42
\$2,600 - \$2,999	\$ 900	\$108,000	34
\$3,000 - \$3,399	\$1,020	\$122,400	30
\$3,400 - \$3,799	\$1,140	\$136,800	18
\$3,800 - \$4,999	\$1,500	\$180,000	47
Total Internal Need			228

Source: *Affordable Housing Needs Study*, Jackson Hole Chamber of Commerce and Teton County Housing Authority, 1993.

The Chamber/Housing Authority study shows that the local housing market is not meeting the needs of resident households with annual incomes of less than \$72,000. This is significant in that \$72,000 is approximately twice the national and Teton County median household incomes.

The Chamber/Housing Authority survey may underestimate the problem. Given the employment growth of approximately 4,700 between 1980 and 1990 (WY Dept. of Employment) and the growth of external housing demand of 1,051 dwelling units for the same time period, contrasted with 1,826 residential units permitted for the 10 year period, one would expect a greater existing need than 400 housing units. Some of the housing demand may be fulfilled by local employees who commute from outside of the County and wish to continue living elsewhere. Other demand may be met by local employees who arrived in the County and secured housing early in the 1980's when housing was more affordable. Nonetheless, the Chamber/Housing Authority survey is used in this analysis because it is a recent and locally administered survey of housing need.

D. PROJECTED AFFORDABLE HOUSING NEED

Growth of Affordable Housing Need in Teton County

Teton County housing prices have been growing at a much faster pace than the ability to pay by Teton County residents. Given the growth rates described above it is possible to estimate when the problem of affordable housing began. Table 13 presents the median cost of a single-family house as a percentage of the median income for Teton County from 1983 to 1993. It is generally recognized that housing is affordable at 250 percent of annual income. The figure of 300 percent of income is frequently used as well. Table 13 demonstrates that the trend over the past ten years is growing unaffordability. In Teton County, median housing prices equaled 635 percent of median income in 1993. Working backwards, it appears that the general housing affordability problem in Teton County began in the early 1980's; in 1983 median housing prices equaled 260 percent of median income, by 1985 and after, the ratio never drops below 300 percent. This is not to say that individuals in Teton County did not suffer from affordability problems prior to the 1983, rather that housing affordability problems became a community problem in

the early 1980's and began to evolve as a matter of public concern. Between 1983 and 1993, affordable housing grew from not being a community problem to one needing 172 ownership units and 228 rental units.

TABLE 13
TREND IN AFFORDABLE HOUSING NEED
JACKSON/TETON COUNTY, 1983-1993

Year	Median Housing Price	Median Household Income	Median Housing Price as Proportion of Median Household Income
1983	\$ 56,210	\$21,639	259.76%
1984	\$ 65,893	\$22,832	288.60%
1985	\$ 77,245	\$24,090	320.65%
1986	\$ 90,000	\$25,417	354.09%
1987	\$120,000	\$26,818	447.46%
1988	\$106,000	\$28,296	374.61%
1989	\$150,000	\$29,855	502.43%
1990	\$155,000	\$31,500	492.06%
1991	\$157,500	\$33,236	473.88%
1992	\$200,000	\$35,067	570.34%
1993	\$235,000	\$36,999	635.15%

This analysis shows that the need for affordable housing began to amass slowly and increased as time passed. Thus, the annual increase in need did not grow at a steady pace as shown in Table 14. The need began slowly and has been rapidly increasing as the gap between housing prices and incomes has grown. This growth has not been at a steady or linear rate, but at a logarithmic or annually compounded rate.

However, projecting need into the future requires a different method. For future projected need a linear rate was used. During the recent past (1990-1993), the need for affordable housing grew at an approximate pace of 40 units per year for rental and owner-occupied units, as shown in Table 14. This recent trend was projected into the future as the base trend for projecting need. Additionally, this base trend was increased each year at the rate of growth of the general population.

For purposes of the projection, the use of the recent trend was thought to be preferable to the use of the historic compound growth rate. Compound growth rates are only practicable for short periods of time. Projecting needs for 10 years in the future at a compound growth rate would tend to over project the need for affordable housing. Thus, the recent linear trend is the most appropriate and reasonable way of projecting the future need because it is based on the most recent experience of Teton County and it avoids the possibility of over projection.

The population projections for Teton County to 2002 provide a basis to differentiate between total dwelling unit need and the affordable unit need. Population is projected to increase approximately 3,600 in the next 10 years. The number of resident households will increase by approximately 1,400. Therefore the total need for dwelling units will be 1,400 for resident households plus an additional 1,600 dwelling units for nonresident households or external demand, for a total dwelling unit need of 3,100. The total

affordable housing units needed, based upon the trend of need shown in Table 15, equals 800 units. This is approximately 25 percent of the total housing production.

TABLE 14 CHANGE OF AFFORDABLE HOUSING NEED JACKSON/TETON COUNTY, 1983-2002							
Year	New Dwelling Units	Affordable Units Needed				Need as Percent Dwelling Units	
		Ownership		Rental			
		Total	New	Total	New		
1983	139	0	0	0	0	N/A	
1984	89	5	5	12	12	11.34%	
1985	78	7	2	17	5	10.97%	
1986	87	11	4	23	6	5.90%	
1987	101	16	5	32	9	13.76%	
1988	176	24	8	44	12	11.46%	
1989	378	35	12	62	17	7.11%	
1990	348	52	17	85	24	9.17%	
1991	265	78	25	119	33	22.09%	
1992	194	116	38	164	46	43.14%	
1993	235	172	56	228	64	50.98%	
1994	242	212	40	268	40	33.06%	
1995	249	253	41	309	41	32.93%	
1996	257	295	42	351	42	32.70%	
1997	264	338	43	394	43	32.63%	
1998	272	382	44	438	44	32.47%	
1999	280	428	45	484	45	32.33%	
2000	289	474	46	530	46	32.10%	
2001	297	521	48	577	48	32.02%	
2002	306	570	49	626	49	31.85%	

The projections for Teton County show a need of 88 affordable housing units, 44 ownership and 44 rental units (see Table 15). This projected need is in addition to the existing need of 400 units identified in the Chamber/Housing Authority study.

TABLE 15
PROJECTIONS OF POPULATION, RESIDENT HOUSEHOLDS,
DWELLING UNITS AND AFFORDABLE HOUSING NEED
JACKSON/TETON COUNTY, 1993-2002

Year	Population	Resident Households	Total Dwelling Units	Affordable Housing Need
1993	14,460	5,829	7,966	400
1994	14,821	5,975	8,269	480
1995	15,192	6,125	8,584	562
1996	15,572	6,278	8,911	646
1997	15,961	6,435	9,250	732
1998	16,360	6,596	9,602	821
1999	16,769	6,761	9,968	911
2000	17,188	6,930	10,347	1,004
2001	17,618	7,103	10,709	1,099
2002	18,058	7,280	11,082	1,196
Change from 1993 to 2002	3,598	1,451	3,116	796
Average Annual Change	400	161	346	88
Ratio of affordable units to total units: 25.43 percent				

E. ALLOCATING AFFORDABLE HOUSING OBLIGATIONS

On the basis that the ratio of affordable housing need to total housing need is approximately 25 percent, one quarter of all future residential developments need to be priced within the affordable price range if the County is going to accomplish its objective of ensuring housing is affordable to the local work-force. These units should be priced within three price ranges to more evenly address households with different levels of ability to pay for housing.

Furthermore, proposed developments that include housing priced below the median priced housing in the County, impact the affordable housing problem less than developments with higher priced housing. For this reason a sliding scale is established to reduce the affordable housing obligation assigned to a development. The reduction is proportional to the prices of the proposed housing. As the prices drop below the County median housing price, the affordable housing obligation reduces until it becomes zero for housing units that are priced to be affordable for households earning 120 percent of the County median income. Housing that is priced to be affordable for households earning less than 120 percent of the County median income shall be exempt for the affordable housing obligation.

Maximum Sales Prices and Monthly Rents for Affordable Housing

The affordable housing units shall be priced so as to be affordable for three income levels. The three levels correspond with incomes equal to 120 percent of county median family income or \$50,000, 100 percent of median family income or \$41,000, and 80 percent of median family income which is approximately \$32,000. The maximum sales prices of owner-occupied units, which are adjusted downward for unit sizes, are based upon the income capacity for a mortgage and reflect variables such as down payment and interest rate. Table 16 contains the restricted sales prices for the anticipated unit types in each income category. Table 17 presents the maximum allowed rents for the likely unit types based on the standard that a family can afford 25 percent of its income for housing.

TABLE 16
MAXIMUM SALES PRICES FOR AFFORDABLE DWELLING UNITS

Housing Unit Type	Household Income Category		
	Low	Moderate	Middle
Studio	\$ 67,243	\$ 71,543	\$115,090
One Bedroom	\$ 77,329	\$ 83,985	\$124,422
Two Bedrooms	\$ 87,416	\$ 99,537	\$133,753
Three Bedrooms	\$ 97,502	\$115,090	\$146,196
Single -Family Detached	\$107,589	\$130,643	\$155,527

NOTES:

¹ Low income = \$32,000 or less annual income
Moderate income = \$32,001 - \$41,000 annual income
Middle income = \$41,001 - \$50,000 annual income

² Households are classified into low, moderate, and middle income categories based upon both the total household income and household size.

TABLE 17
MAXIMUM RENTS FOR AFFORDABLE DWELLING UNITS

Housing Unit Type	Maximum Monthly Rent by Household Income		
	Low Income	Moderate Income	Middle Income
Studio	\$417	\$479	\$ 771
One Bedroom	\$479	\$563	\$ 833
Two Bedrooms	\$542	\$667	\$ 896
Three Bedrooms	\$604	\$771	\$ 979
Single-Family Detached	\$667	\$875	\$1,042

NOTES:

¹ Low income = \$32,000 or less annual income
 Moderate income = \$32,001 - \$41,000 annual income
 Middle income = \$41,001 - \$50,000 annual income

² Households are classified into low, moderate, and middle income categories based upon both the total household income and household size.

Payment-in-lieu Schedule

In some instances a payment-in-lieu may be preferable to the construction of residential units. For these occasions a payment schedule was calculated to equal the amount of subsidy, or the difference between the market price and the restricted sales price, for one, two and three bedroom units. The market price for each of the unit types covered by this option is based on Multiple Listing Service data and is shown in the "market cost" column in Table 18. The restricted sales price is from Table 16 above and the subsidy represents the difference between the two figures.

Each unit type is credited in the Teton County Affordable Housing Guidelines with a number of persons per dwelling unit. For example, a two bedroom unit is credited with providing affordable housing for 2.25 persons. The subsidy per person is computed by dividing the subsidy for each unit type by the credited number of persons. The three subsidy/person amounts for each category are averaged to produce the payment-in-lieu amount for each of the three income categories. As shown in Table 18, the payment-in-lieu for a category three unit, for example, is the average of the subsidy amounts for 1BDRM CAT3, 2BDRM CAT3 and 3BDRM CAT3, or \$2,437.

TABLE 18
PAYMENT IN LIEU SCHEDULE

Housing Unit & Income Category	Market Price	Restricted Price	Subsidy	Persons per Unit	Subsidy per Person
1BDRM CAT1	\$100,000	\$ 77,500	\$22,500	1.75	\$12,857
1BDRM CAT2	\$100,000	\$ 84,000	\$16,000	1.75	\$ 9,143
1BDRM CAT3	\$100,000	\$124,500	(\$24,500)	1.75	(\$14,000)
2BDRM CAT1	\$148,000	\$ 87,400	\$60,600	2.25	\$26,933
2BDRM CAT2	\$148,000	\$ 99,500	\$48,500	2.25	\$21,556
2BDRM CAT3	\$148,000	\$133,800	\$14,200	2.25	\$ 6,311
3BDRM CAT1	\$191,000	\$ 97,500	\$93,500	3.00	\$31,167
3BDRM CAT2	\$191,000	\$115,000	\$76,000	3.00	\$25,333
3BDRM CAT3	\$191,000	\$146,000	\$45,000	3.00	\$15,000
Payment in lieu:	Category 1 = \$23,652 Category 2 = \$18,677 Category 3 = \$ 2,437				

Sliding Scale for Housing Priced Below the County Median Price

Affordable housing is defined as housing affordable to a Teton County family earning 120 percent of the median income. The median income is approximately \$40,000 and an affordable house is set to equal 300 percent of the family income. Thus, 120 percent of \$40,000 at 300 percent equals a house priced at \$144,000.

Teton County MLS data show the 1993 median price of a single family unit is \$235,000. Housing proposed at this price or higher shall have an affordable housing requirement of 25 percent. Between \$144,000 and \$235,000, the requirement is determined by the following sliding scale:

$$\frac{P - AP}{AP} * 25 \text{ percent}$$

$$\frac{MH - AP}{AP} * 25 \text{ percent}$$

P = Price of Individual Unit

AP = 3 * (1.2 * Median Income)

MH = Median Housing Cost

CHAPTER 5

Appendix B

SEASONAL EMPLOYEE HOUSING NEEDS ASSESSMENT

Teton County's economy is primarily based on tourism. Nearly 3 million tourists come to Teton County during the peak tourist season of June, July and August. The pattern of taxable sales and lodging tax revenues indicates the magnitude of the local economy's reliance on these tourists. Employment during this summer peak grows by more than 4,500 jobs. While some of these seasonal employees are year round residents and high school or college students whose families live in the valley, many of these employees come to the valley for just these three months. These seasonal employees may be necessary to support the lucrative tourist based businesses, however, they also have considerable impacts on the community.

In terms of housing, seasonal employees impact Teton County whether they enter the local housing market or not. Some employees enter the rental market, impacting the already strained housing market in Teton County. The housing market in Teton County is already falling short of providing adequate housing for permanent residents. This market is simply not meeting the needs created by an influx of seasonal employees. In view of this, some employees attempt to find housing without entering this market, choosing options such as camping, introducing sanitation and other problems of environmental degradation. The seasonal employee housing requirement or fee-in-lieu is designed to help the Teton County community address the impacts caused by these seasonal employees.

A. SEASONAL NATURE OF TETON COUNTY'S ECONOMY

Tourists come to Teton County to take advantage of the natural amenities in the area. While there are three ski areas in Teton County and many tourists come to the area in the winter for both downhill and cross country skiing, by far the great majority of tourists come to Jackson and Teton County during the summer to take advantage of the two National Parks, National Forests and numerous Wilderness Areas.

In 1993 over 2.5 million people visited Grand Teton National Park, two-thirds of those during June, July and August. Estimates of annual visitation to Yellowstone National Park are over 3 million, again with two-thirds of those arriving during the summer months (Jackson Hole Chamber of Commerce). Visitors to Teton County also come to take advantage of other wilderness and natural amenities as well as the two National Parks. There are the Targhee and Bridger-Teton National Forests as well as the Teton, Gros Ventre and Jedediah Smith Wilderness Areas, all of which provide camping and hiking opportunities. The Snake River is another tourist attraction during the summer months. There are 19 float companies listed in the Jackson phone directory. The Chamber of Commerce reported that permits were issued for more than 130,000 people to float the Snake during 1993. These companies operate almost exclusively during the summer months of June, July and August. Teton County and the Snake River are also important fly fishing destinations. The Jackson Hole Chamber of Commerce estimates overall visitation to Teton County to be about 2 million during the three month peak period, or just greater than visitation to Grand Teton National Park.

Offering recreational services to tourists, as well as providing other services which these tourists demand, such as lodging, restaurants and retail stores, means that many more employees are necessary during the summer than during the remainder of the year.

Magnitude of Summer Peak

The commercial activity is dramatically higher during the summer months than during the remainder of the year. This summer peak requires a significant increase in the number of employees. The local economy

does not or cannot sustain this number of employees on a year round basis, resulting in the large number of employees entering the County for a short period of time. These employees have been largely unaccommodated by the housing market, yet they arrive every year.

To give an indication of the magnitude of the summer peak, over half of Teton County's lodging business occurs in the months of June, July and August, as shown by the revenues from lodging tax. The average monthly revenues from these taxes in the summer months are over three times greater than the average revenues for the remaining nine months, which include the winter tourist season as well as the "shoulder" season months. Table 1 shows average lodging tax revenues for the last 3 years, for each month of the year.

Table 1 Average Monthly Lodging Tax Collected for 1991 through 1993		
Estimated Month of Collection	3 Year Average Monthly Revenue	Percentage of Total Yearly Revenues
October	\$48,439	4.1%
November	\$33,430	2.8%
December	\$48,572	4.1%
January	\$84,470	7.1%
February	\$84,751	7.1%
March	\$51,032	4.3%
April	\$24,857	2.1%
May	\$62,512	5.3%
June	\$191,736	16.1%
July	\$205,347	17.3%
August	\$214,608	18.0%
September	\$140,619	11.8%
Total	\$1,190,373	100.1%
Source: Jackson Hole Chamber of Commerce		

Retail activity during these summer months are similarly higher than the remaining nine months of the year. During the last three years, taxable sales for the nine months outside of the peak season averaged just over 29 million dollars per month. For the same years, taxable sales during the peak months of June, July and August, averaged twice that, or \$58 million per month. Table 2 shows the average monthly taxable sales for the years 1991 through 1993.

These data show that summer is by far the busiest period of year in Teton County. During this peak period of the summer essentially every lodging unit and campsite is filled. Seasonal residents or second home owners return to the area during this time as well. During this period of the year the customers whom these employees have been hired to serve are using nearly all of the available housing units. With the exception of seasonal employees who already reside in or near the County, employees hired during the summer season must locate housing in this saturated market.

Table 2
Estimated Monthly Taxable Sales for 1991 Through 1993

Estimated Month of Sale	3 Years Monthly Average	Percentage of Total Taxable Sales
November	\$23,364,337	5.33%
December	\$27,206,706	6.21%
January	\$32,860,418	7.50%
February	\$25,992,642	5.93%
March	\$26,455,427	6.04%
April	\$23,396,661	5.34%
May	\$32,457,547	7.41%
June	\$49,365,131	11.27%
July	\$60,886,789	13.90%
August	\$65,175,617	14.88%
September	\$42,247,767	9.64%
October	\$28,618,824	6.53%
Total	\$438,027,866	99.98%

Source: Jackson Hole Chamber of Commerce

B. SUMMER SEASONAL EMPLOYEES

Commercial businesses in Teton County do a large portion of their business in the summer months and accordingly, must hire extra employees to meet this demand. Different businesses, of course, cater to this summer peak to varying degrees and will need to hire differing numbers of seasonal employees. Table 3 shows the number of employees per month broken down by Standard Industrial Classification Division. These figures show all employees in Teton County in each division for the three month peak period, for the remaining nine months of the year and, finally, show the difference between these two numbers.

Table 3 shows both that a large portion of Teton County's employees are seasonal and that the number of seasonal employees varies by type of business. Standard Industrial Classification Divisions do not necessarily correspond with Teton County's definitions of land use categories, however, and it is more useful to analyze the number of seasonal employees with regards to Teton County's own use categories.

Table 4 shows the number of summer season employees for the various land use categories defined in the Jackson and Teton County Land Development Regulations. These numbers were obtained by using data provided by the Wyoming Department of Employment which further disaggregated the SIC Divisions to the point where each land use type could be separated out to match the Jackson and Teton County land use categories.

Table 3
Average Number of Employees for June through August versus September through May For Standard Industrial Classification Divisions

	Number of Employees		
	Average June-August	Average September-May	Difference
Agriculture	158	79	79
Mining	3	3	0
Construction	1,552	1,349	203
Manufacturing	327	318	9
TCPU	401	390	11
Wholesale Trade	137	121	16
Retail Trade	4,114	2,858	1,256
FIRE	462	448	14
Services	6,976	4,037	2,939
Total	14,130	9,603	4,527

Source: Wyoming Department of Employment, Employment Resources Division, Research and Planning Section

The highest percentage of seasonal employees is found in the ‘Other Lodging’ category with 154 percent of employees during the summer peak being seasonal employees. This category consists of bed and breakfasts, dude ranches, short term rental and campgrounds. Although the total number of employees is small, the land use with the next highest proportion of seasonal employees is Nurseries, at 138 percent. The third highest proportion and the greatest actual number (2,285) of summer season employees are hired in the Hotel and Motel Lodging field. Ninety-four percent of the annual average number of employees in this field are summer season only. Retail establishments, restaurants and bars employ the next highest percentage of seasonal employees, with seasonal employees comprising 42 percent, of the annual average work force per month. The remaining land use types show percentages of seasonal employees during the summer months covering a range from a low of 4 percent for Aeronautical uses, to 22 percent for Heavy Retail and Service.

Wages of Employees

Seasonal employees are generally not paid enough to enter Teton County’s rental housing market without being cost burdened or overcrowded. Their difficulty in finding housing is exacerbated by the fact that they are often looking for housing for only a three month period. The majority of seasonal employees are employed in the sectors with the lowest wages. Figures are not available for the actual wages of summer employees, however the assumption was made that summer employees earn average wages for the sector in which they are employed. A general measure of housing affordability is that no more than 30 percent of income should be spent on housing.

Table 4
Seasonal Proportion of Average Number of Summer Employees
Jackson/Teton County Land Use Categories, 1993

Land Use	Average Employees per Month, Jun-Aug	Average Employees per Month, Sep-May	Summer Season Employees	Annual Average Employees per Month	Proportion of Summer Employees to Annual Average
Hotels/Motels	4,156	1,871	2,285	2,442	94%
Other Lodging	373	106	267	173	154%
Restaurant/Bar	1,905	1,300	605	1,451	42%
Retail	1,866	1,272	594	1,421	42%
Commercial Amusement and Indoor/Outdoor Recreation	921	760	161	800	20%
Office	1,159	1,060	99	1,084	9%
Heavy Retail/Service	490	396	94	420	22%
Service	465	401	64	418	15%
Industry	2,122	1,886	236	1,945	12%
Nursery	49	16	33	24	138%
Aeronautical	117	112	5	113	4%
Other (Ag, Utilities, Institutional, Public/Semipublic)	507	423	84	444	19%
Totals	14,130	9,603	4,527	10,735	
Source: Wyoming Department of Employment, Employment Resources Division, Research and Planning Section					

Table 5 shows the average yearly income for each land use category and the amount an employee could afford monthly for housing with the average wage in that sector. The employment data demonstrates that 70 percent of summer seasonal employees work in sectors where the average wage is less than \$14,000 per year or \$1,167 per month. It is likely that many seasonal employees earn less than the average wage in each sector; however, with out concrete data to support this, the average wage is used to estimate what these employees can afford to pay for housing. In general, if seasonal employees enter the housing market, they will be in the rental market (as opposed to the buyers market,) due to both their low incomes and the short period of time they will be in the community.

Table 5
Average Income and Maximum Monthly Housing Costs by Land Use Category

Land Use	Seasonal Employees	Average Annual Income	Maximum Monthly Housing Cost
Hotels/Motels	2,285	\$12,688	\$317.20
Other Lodging	267	\$13,416	\$335.40
Restaurant/Bar	605	\$11,388	\$284.70
Retail	594	\$15,652	\$391.30
Commercial Amusement and Indoor/Outdoor Recreation ¹	161	See Footnote	
Office	99	\$25,523	\$638.07
Heavy Retail/Service	94	\$21,245	\$531.13
Service	64	\$15,566	\$389.15
Industry	236	\$26,100	\$652.50
Nursery	33	\$14,092	\$352.30
Aeronautical	5	\$20,124	\$503.10

Source: Wyoming Department of Employment, Employment Resources Division, Research and Planning Section and Teton County

As the majority of seasonal employees earn less than \$1,167 per month, they can afford to pay a rent of \$350 per month or less. A household of two wage earners could afford \$700 per month for rent. The Teton County Housing Authority (TCHA) supports these findings, estimating that seasonal employees can afford to pay \$312 per month, each. TCHA calculated this figure by assuming an average wage of \$6.00 per hour, estimating average monthly income and assuming these employees can pay 30 percent of their income on rent. These rental amounts fall into the category of housing which is already at a deficit in Teton County (see Table 6.)

Although average wages in some of the land use categories are higher than the \$1,167 per month figures, the majority of even these higher paying land use categories still fall into income ranges needing affordable housing assistance. There is currently an estimated year round deficit of 228 units in the \$1,500 per month and below rental range in Teton County. Employees earning greater than \$2,500 per month can afford housing costs of \$750 per month, or \$1,500 per month for a two wage earning household, which is above this “deficit range”. However, as Table 5 demonstrates, there are no land uses in which the average wage is this high.

¹ Available income data does not separate income for Commercial Amusements, and Indoor and Outdoor Recreations as defined in the Jackson/ Teton County LDRs from income earned by Teton County residents outside of Teton County in employment such as movie acting or producing. Because the County has a number of residents in that area of employment, this data does not give an accurate representation of salaries in the Commercial Amusement and Indoor and Outdoor Recreation categories. The wage factor for this type of land use may be determined by independent calculation (see Table 8).

Table 6
Internal Need for Rental Units, Teton County, 1993

Monthly Income	Maximum Rent	Needed Units
Under 1,800	\$540	18
1,800 - 2,199	\$660	39
2,200 - 2,599	\$780	42
2,600 - 2,999	\$900	34
3,000 - 3,399	\$1,020	30
3,400 - 3,799	\$1,140	18
3,800 - 4,999	\$1,500	47
Total Need		228

Source: *Employee Housing Needs Survey*, Jackson Hole Chamber of Commerce and Teton County Housing Authority

C. HOUSING MARKET

The problem of housing for County employees has been growing worse. The official population grew from 9,355 in 1980 to 11,172 in 1990 and this trend has continued after 1990 (1980 and 1990 Census of the Population). These data, however, reflect only the permanent population and do not show the full impact of the growth. The more dominant component of the growth has been in seasonal and nonresident population. For this reason employment is a better measure of the growth than official population. The 1980 average annual employment was 5,742 while the 1990 average annual employment was 10,326 (State of Wyoming, Department of Employment)². Employment grew 80 percent during the 80's (six percent per year) while population grew 19 percent or two percent per year. This indicates two significant events: (1) that permanent population is not the driving force in the local economy; and (2) that labor is imported. The first point emphasizes the importance of the tourist to the local economy. The second point illustrates that seasonal employees as well as other imported employees are holding an increasing portion of jobs in Teton County.

The demand for housing these employees comes at the time of year when Teton County's housing market is stretched to its very thinnest. Furthermore, this demand also falls into the affordable category where Teton County is experiencing a year round shortage. According to the *Employee Housing Needs Survey*, in 1993 there was a year round deficit of 228 rental units which would be considered affordable. Table 6 shows the deficit of rental units in the affordable range to adequately house Teton County's permanent residents. The needed units are further split up over income categories whose needs are not being met. Summer seasonal employees would generally fall into the lower half of the income and rent categories.

²The Department of Employment figures for 1980 do not include Federal Employment, there for the number was adjusted by adding the estimated number of Federal Employees in 1980 from "An Economic Profile of Teton County, Wyoming: Diversity, Dependency and Growth." Prepared for the Teton County Commissioners by David T. Taylor, Jean Skidgel and Robert R. Fletcher, 1993. The Department of Employment figures for 1990 include Federal Government Employment.

In spite of their low incomes, not all summer seasonal employees are in need of housing. It is estimated that 34 percent of summer employees have housing. This number includes high school and college students whose families are from the County and other year round residents. The number of year round residents, aside from local students, was estimated by dividing the number of seasonal employees by the average number of jobs per employee in Teton County. According to the study completed by the Chamber of Commerce and the Teton County Housing Authority, there are approximately 1.2 jobs per employee in Teton County. Dividing by this number accounts for year round residents who, take on second jobs in the summer and seasonal employees who have more than one seasonal job and would otherwise be double counted. As for high school students, high school administrators estimate that 88 percent of high school students, or a total of 440, are employed in nonfarm jobs during the summer. The number of employees from local families who work during the summer, but not throughout the year, such as college students, is estimated to be an additional 220 employees. This totals 660 employees. These calculations indicate that 3,113 or 69 percent of 4,527 total seasonal employees are in need of housing. This demand is in addition to the year round deficit of 228 affordable rental units identified by the study completed by the Chamber of Commerce and the Teton County Housing Authority.

There are a number of reasons for the affordable housing shortage in Teton County. The main reason is that tourists and seasonal residents (owners of vacation homes) generally have more purchasing power than permanent residents and employees, both permanent and seasonal. The housing market is affected in terms of both rental and for purchase housing. Over 40 percent of all new dwelling units constructed in the 1980's were purchased for second home use. The second home and vacation home market has been the primary factor in the rising land and housing prices by adding demand and causing resources to be shifted to the higher paying high-end housing market. The effect this has on seasonal employees is indirect in that they are not purchasing housing. However, as this situation prevents permanent employees and residents from purchasing housing and forces them to compete in the rental market, it does affect seasonal employees indirectly.

More directly affecting seasonal employees is the fact that the rental market is also catering to the tourist. It is now more lucrative for landlords to rent their units to short-term vacationers than to longer term occupants, be they permanent or seasonal employees. The experience of the Jackson Hole Racquet Club in the Aspens demonstrates this: while essentially as many units were under management in 1991 as in 1984, the mix of occupants has dramatically changed. In 1984, 55 percent of the units were rented on a long-term basis while 45 percent were rented short term (less than thirty days). In 1991, only 13 percent of the units were rented on a long-term basis and 87 percent were rented short term.

Further demonstrating the shift in the housing market from serving the demand of the permanent residents and employees, both seasonal and permanent is the fact that long-term rentals for occupancy by local residents increased by only 11 percent during the 80's, barely more than one-half of the 19 percent population growth (and 80 percent employment growth.)

D. IMPACTS TO TETON COUNTY

There are a variety of ways seasonal employees cope with the housing situation. As mentioned earlier, many camp out in National Forests or camp illegally in other places. The United States Forest Service estimates that there are between 300 and 500 people living for extended periods of time in undesignated areas of the Bridger Teton National Forest during the peak season. This does not include people camping for recreational purposes, but comprises mostly people working in Jackson and a small number of transients. The Forest Service cites concerns with resource damage, water quality problems resulting from the lack of sanitary facilities and finally law enforcement problems. The maximum permitted stay in one site in the National Forest is 16 days, meaning that these campers must move their camps every two weeks unless they wish to camp illegally. In addition to those living in the forest, some people are camping in areas where camping is illegal altogether, such as close to town on Cache Creek. Others end up living unofficially with friends or relatives who already have a home in the valley. Some summer employees end up with 6 or 8

people renting one housing unit. This situation is often arranged by the employer and, even though each person pays a fairly low rent, the combined rent they can afford is quite high. Units which might otherwise be rented for a price affordable to local residents are rented out at inflated prices to seasonal employees. Finally, still others choose to live in Orville's Mission, which is Teton County's homeless shelter. Conversation with the Mission representatives revealed that, they have never turned anyone away, as long as people were willing to sleep in whatever space was available, however, they actually had more people than official sleeping spaces on many occasions this summer.

Addressing these Impacts

This huge number of people needing housing during the period of time when none is available has several impacts on the community. First of all, the increased demand competes with demand generated by the permanent population. The housing market is failing to meet the needs of permanent residents, not to mention seasonal employees. This serves to further constrict the rental market in Teton County, and inflates rental rates. People who do not enter the rental market, but instead choose to camp out for the summer have serious environmental impacts to natural areas they utilize, as discussed above. The seasonal employee housing requirement is designed to address the additional need created during the peak period by requiring the businesses that utilize seasonal employees to provide housing or the funds to provide affordable housing.

The seasonal employee housing requirement is designed to address the impacts caused by seasonal employees. The housing needs analysis has determined that the permanent housing shortage is largely a result of the second home and vacation market. Housing for permanent employees is therefore being addressed through the residential housing requirement.

Sixty-nine percent of a business' seasonal employees are estimated to be in need of housing. Table 7 shows the year round deficit of units in each price category, as well as the deficit introduced by seasonal employees, assuming two employees per unit. As discussed earlier, there is already a shortage of rental housing in Teton County costing less than \$1,500 per month. Two people living together, each earning \$2,500 per month can afford housing costs of \$750 per month each, or a total of \$1,500. Accordingly, employers in land uses where the average wage is more than \$2,500 should not be required to provide employee housing. Additionally, in the range of salaries below that threshold, employers in higher paying land use categories should be required to provide proportionally less employee housing.

Table 7
Year Round and Peak Season Rental Housing Deficit

Maximum Rent	Per Person Maximum Rent	Existing Year Round Deficit	Additional Units required by Seasonal Employees	Total Peak Season Deficit
\$540	\$270	18		
\$660	\$330	39	1,084	1,102
\$780	\$390	42	136	178
\$900	\$450	34	225	259
\$1,020	\$510	30	2	32
\$1,140	\$570	18	35	53
\$1,500	\$750	47	128	175

The following sliding scale formula can be used to calculate a reduction in an employer's seasonal housing obligation (69 percent of seasonal employees) based upon the average wage paid. For land uses in which the average wage is \$2,500 per month or more, the formula reduces the obligation to zero since the wage is high enough for the employee to obtain housing above the \$1,500 per month rent mark, assuming two wage earners per household.

$$1 - \frac{0.30 * \text{Average Monthly Salary}}{750} = \text{Average Wage Factor}$$

750

Table 8 shows the resulting number of employees for whom seasonal housing should be provided. The entire calculation involves taking the total number of full-time equivalent employees, multiplied by the seasonal employee percentage, multiplied by 69 percent (seasonal employees assumed to be in need of housing,) multiplied by the average wage factor (resulting from the above equation,) equals the number of employees for whom seasonal housing must be provided.

There are four basic options open to nonresidential developers in terms of providing the required employee housing. The first three options involve the developer providing the housing. The fourth option would be a payment or fee-in-lieu of actually providing the units. The County would provide housing by pooling the funds gained by this payment.

Table 8
Required Employee Housing for Jackson Teton County Land Use Categories

Land Use Category	Full Time Equivalent Employees Generated	Seasonal Employee Percentage	Average Wage Factor	Employees to be Provided with Seasonal Housing
Hotels & Motels	.45 per bedroom	94%	.58	0.17 per bedroom
Other Lodging		154%	.55	
Short Term Rental	1 per 3 bedrooms			0.58 per 3 bedrooms
Dude Ranch	1.4 per guest			0.82 per guest
Campgrounds	1 per 1000 sf + 3/acre			0.58 per 1000 sf + 1.75 per acre
Restaurant/ Bar	7.5 per 1000 sf	42%	.62	1.35 per 1000 sf
Retail	4 per 1000 sf	42%	.48	0.56 per 1000 sf
Commercial Amusement and Indoor/Outdoor Recreation	2 per 1000 sf	20%		To be determined by independent calculation.
Office	5 per 1000 sf	9%	.15	0.05 per 1000 sf
Heavy Retail/Service	1.3 per 1000 sf	22%	.29	0.06 per 1000 sf
Service	4 per 1000 sf	15%	.48	0.20 per 1000 sf
Industry	3 per 1000 sf	12%	.13	0.03 per 1000 sf
Nursery	.5 per 1000 sf + 3 per acre	138%	.53	0.37 per 1000 sf + 1.51 per acre
Aeronautical	To be determined by independent calculation	4%	.33	To be determined by independent calculation
Resort	To be determined by independent calculation			To be determined by independent calculation

Option 1: Accessory Residential Housing Units. These units would be provided on the same site as the new nonresidential development and would meet all standards applying to accessory residential units. These standards include a maximum floor area of 500 square feet. Additional standards apply depending on the land use district.

Option 2: Conventional Year Round Housing. A developer may provide, or cause to be provided, housing which would be suitable for year-round employees. This housing may be provided off-site. This could be conventional single family housing or multifamily housing. This housing would have to be reserved for

seasonal employees. If rented, the rate must be affordable to the seasonal employees during the summer months. During the remainder of the year the units may be rented at market rate.

Option 3: Campgrounds. Campgrounds provided with suitable sanitation and bathing facilities for the number of employees and situated to minimize environmental impact are a suitable option.

Option 4: Fee-In-Lieu. In the event that a fractional unit of housing is required or extenuating circumstances prevent the developer from utilizing one of the first three options. The developer may have the option of paying a fee-in-lieu to the County. The County will use this money to provide the seasonal housing. This money will be returned to the employer if the County has not used the money to implement affordable housing programs within 7 years. The payment required will be \$16,864 per employee required to be provided with seasonal housing. This number represents:

Total cost of housing per employee (\$35,000) - Present value of future rental payments (\$18,136)

The "total cost of housing per employee" is calculated assuming:

1. 350 square feet minimum living area per employee
2. \$65 per square foot structure cost
3. \$150,000 per acre land cost, at 20 units per acre, plus \$5,000 development cost per unit

The "present value of future rental payments" is calculated assuming:

1. 15 year depreciation of housing
2. Rental income for three months at maximum rental rate in "deficit range," (currently \$750)
3. Discount rate of 9 percent