



Staff Recommendations

Housing Rules and Regulations Update

The current Housing Department Rules and Regulations have been in place since 2008. Prior to 2016 they were known as the Housing Authority Guidelines even though they have always been regulations. The first version of the Rules and Regulations was effective from 1995 to 2008.

1. What should the employment criteria be to rent or purchase a restricted home?

At least one member of the household must be locally employed an average of 30 hours per week (1,560 hours/year).

The definition of “locally employed” varies by restriction type.

- Affordable and Attainable units (Attainable units were created before the Housing Standards in the LDRs were adopted. They are no longer being created but still must be managed): Working in Teton County, WY.
- Employment-based and Workforce units (ownership or rental): Working for and earning 75% or more of the household income from a local business, defined as “a business located within Teton County, holding a business license with the Town of Jackson, or one that can provide other verification of legal business status in Teton County, WY”.
- For all restrictions, volunteer hours for a local organization can be counted towards employment status.

Status Quo:

- At least one member of the household is locally employed for a minimum of 30 hours/week (1,560 hours/year) OR
- At least one member of the household is a retiree who is at least 59 ½ years old and has been locally employed the 2 years immediately prior to retirement OR
- At least one member of the household is disabled
- AND at least one member of the household is a U.S. citizen or lawful permanent resident (Green Card).

Alternatives	Intent	Potential Drawbacks
1.A. Status Quo	<ul style="list-style-type: none"> ○ 30 hours/week (1,560 hrs/yr) allows local workforce who may not work year-round, but who do work full- time (ex: teachers, dual seasonal employees) to qualify for housing. Only one person in a household is required to work 30 hours/week so that the other can care for children, etc. ○ For retirees, 59½ is the age the IRS allows retirement disbursements without penalty. 	<ul style="list-style-type: none"> ○ Housing retirees and disabled persons who are not working does not directly further the community’s goal of housing the workforce locally. <p>Qualifying Lawful Permanent Residents could potentially be a problem if they decide to go back to their home country, stop paying their mortgage and the home is foreclosed on.</p>

Alternatives	Intent	Potential Drawbacks
	<ul style="list-style-type: none"> ○ Anti-discrimination rules allow retirees and disabled individuals to qualify. U.S. Citizen/Lawful Permanent Resident ensures that those who purchase restricted homes pay taxes.	
1.B. 1.A., except retirees must be 62 -years -old.	<ul style="list-style-type: none"> ○ Limit the pool of qualifying households that do not work a minimum of 30 hours/week. 	Housing retirees who are not working does not directly further the community's goal of housing the workforce locally.
1.C. 1.A., except one member of the household must work an average of 40 hours/week or 1,920 hours/year.	Ensure household is working a year-round, full-time job.	Many businesses in this community operate on a seasonal basis, and their employees would not be able to qualify for subsidized housing.
1.D. B + C.		

Staff recommendation: Alternative 1.B

Staff recommends keeping the status quo and raising the age of retirement to the age at which the federal government allows an individual to collect social security (currently 62).

Many businesses in this community operate on a seasonal basis, and their employees work little or no hours in the off season(s). Requiring more than 30 hours per week will preclude these employees from qualifying. Teachers are included in this group.

Housing retirees who are not working or volunteering in restricted housing decreases the supply of workforce housing. Raising the retirement age will keep people in the workforce longer. Presently, age 62 is the earliest a person can begin collecting Social Security.

Staff considered allowing households with a documented minor to qualify for housing, but ultimately decided that this would not address concerns about the potential for a household to leave the country and the home going into foreclosure.

2. What kind of assets should be allowed and/or counted, and how much is the limit?

Affordable units have asset limits. Employment-based units have no asset limits.

Status Quo:

- For Affordable units, allowed assets include: gift money; equity in vehicles, RVs, boats, etc.; personal items valued greater than \$500; bank accounts; investment accounts; trust funds; vested life insurance; commercial properties; and residential property. Retirement accounts are not included unless money is withdrawn for down payment or other expense. Business assets are included as part of household assets. Once the applicant is chosen, improved residential property must be listed for sale and a sale must occur within one year. Liabilities (debt) are subtracted from total assets.
- Total household assets shall not exceed twice the income limit for a 4-person household for the income category. For example, if the income limit is \$94,000, then the asset limit is $\$94,000 \times 2 = \$188,000$.
- For employment-based units (rental and ownership) there is no asset limit. Applicants can never own residential real estate within 150 miles of Teton County, WY.

Alternatives	Intent	Potential Drawbacks
2.A. Status Quo	<ul style="list-style-type: none"> ○ Families are allowed to hold needed assets, but are limited from holding enough assets to afford a down payment on a market home. ○ Asset limit is calculated this way so that it has a connection to the income limit, and is adjusted each year with the income limit. ○ Removing retirement funds from asset calculation may incentivize households to save for retirement. ○ The Employment-based program that has no asset limit is intended to serve households in higher income levels who still cannot afford a market home. 	<ul style="list-style-type: none"> ○ Removing retirement funds from asset calculation may allow households who could afford a market unit to purchase an Affordable home instead. ○ The Employment-based provision that has no limit on value of assets has the potential of allowing households who could afford a market home to purchase an Employment-based home to save money.
2.B. 2.A. + remove the nonliquid business assets from the asset calculation.	<ul style="list-style-type: none"> ○ Avoid disqualifying households because their business assets that are essential to running their business exceed asset limits. 	<ul style="list-style-type: none"> ○ Business assets could potentially be a source of funds for a down payment.
2.C. 2.A. + mobile homes should be included as part of the residential properties.	<ul style="list-style-type: none"> ○ Mobile homes serve as housing and should be considered the same as residential real estate. 	<ul style="list-style-type: none"> ○ Mobile homes are taxed as personal property, not real estate. Including mobile homes as residential property may confuse applicants.

Alternatives	Intent	Potential Drawbacks
2.D. 2.A., except allow households to qualify for Affordable units and own residential property anywhere including Teton County, contingent upon verification that the asset limit is not exceeded.	<ul style="list-style-type: none"> ○ This allows households to have investments as long as they do not go over the asset limit. 	<ul style="list-style-type: none"> ○ A household could own an Affordable unit and own a market unit.
2.E. 2.A., except change the current asset cap of 2 times a 4-person household income for the income category to an amount that is based on comparable community asset caps.	<ul style="list-style-type: none"> ○ Allow households that qualify based on income, but whose assets exceed the cap, to qualify. 	<ul style="list-style-type: none"> ○ This could push the asset limits up to a point that allows people to qualify who could actually afford a market home.
2.F. 2.A., except allow for increases in net asset caps to allow for increases in retirement savings for households with retirees.	<ul style="list-style-type: none"> ○ Allows for retirees who have larger retirement accounts to have more assets and qualify. 	<ul style="list-style-type: none"> ○ Housing retirees who are not working does not directly further the community's goal of housing the workforce locally. Allowing a higher asset cap for retirees will allow more retirees to qualify.
2.G. Some combination of B, C, D, E, and F.		

Staff recommendation: Alternative 2.C

Staff recommends keeping the Status Quo, and considering mobile homes that are connected to utilities to be residential property.

The asset limit has a nexus to the income limit and adjusts each year. It allows households to hold assets such as vehicles and recreational equipment but limits them from affording a down payment on a market home.

Mobile homes that are connected to utilities (water, sewer, electricity and/or gas) serve as housing and should be considered the same as residential real estate.

A higher net asset cap for retirees will allow more retirees to qualify, and potentially decrease the number of workforce living locally.

3. How many months out of a calendar year should a household be required to occupy a restricted unit?

Status Quo:

- Affordable ownership unit: 10 months/year
- Employment-based unit: 10 months/year
- Affordable rental units: 11 months/year
- Attainable units (legacy program): 9 months/year

Alternatives	Intent	Potential Drawbacks
3.A. Status Quo	○ Allows households to take a vacation, but still requires they occupy the restricted unit most of the year.	○ The housing could potentially sit vacant for one or two months.
3.B. Standardize all units, all restriction types: 9 months/year	○ Allows households to have more flexibility on how long they can be away from home.	○ The housing units could sit vacant for as much as 3 months.
3.C. Standardize all units, all restriction types: 10 months/year	○ This is in line with most existing restrictions.	○ The housing could potentially sit vacant for two months/year.
3.D. Standardize all units, all restriction types: 11 months/year	○ This ensures that the units are occupied, and may encourage occupants to find jobs in the shoulder season.	○ Provides households less flexibility for leave/vacation.

Staff recommendation: Alternative 3.D

Staff recommends standardizing all units and all restriction types to 11 months per calendar year.

This ensures that units are occupied while still giving time for travel/vacation, and may encourage occupants to find local jobs in the shoulder season.

4. What livability standards, if any, should apply to restricted units?

Livability standards are intended to ensure restricted units are quality, livable spaces.

Status Quo:

- Livability standards include: min/max livable area; must include a kitchen, bathroom, and areas designed for living, sleeping, and storage; natural light; landscaping; exterior materials must be compatible with other materials used in the development; parking must be like other units in the development; outdoor living space; sound reduction; meets minimum building code standards.
- Minimum square footage required:

	Ownership	Rental
Studio	400	350
1 bed	600	550
2 bed	850	750
3 bed	1,200	950

- Provide a 20% reduction in required livable square footage if the unit is above grade and each bedroom and living space has an exterior window.

Alternatives	Intent	Potential Drawbacks
4.A. Status Quo	<ul style="list-style-type: none"> ○ Ensures that units are provided with a base level of components needed for safety, health, and functionality. ○ The minimum size requirement ensures that units are functional and provide space for storage as well. ○ The maximum size requirement ensures that when square footage (instead of people housed) is required, large units don't take up the entire requirement. 	<ul style="list-style-type: none"> ○ Potentially increases the price of construction and limits developers' ability to maximize allowed floor area.
4.B. 4.A., except require the same min. square footage for rental and ownership units	<ul style="list-style-type: none"> ○ Families living in rental units have the same need for storage and space as families who own units. ○ Simplifies requirements. 	<ul style="list-style-type: none"> ○ May limit the number of restricted units built.
4.C. 4.A., except increase/decrease min. square footage for rental and ownership units.	<ul style="list-style-type: none"> ○ Decreasing size requirements may encourage households to move into the market when they are able. It also may allow for more units to be built. ○ Increasing size requirements could potentially provide units 	<ul style="list-style-type: none"> ○ Decreasing size requirements would likely lessen storage space, which is a consistent need in all restricted units. It would also provide less living space for families.

Alternatives	Intent	Potential Drawbacks
	with more storage, which is a consistent need in all restricted units.	<ul style="list-style-type: none"> ○ Increasing size requirements would likely increase the price of construction and may decrease the number of units built. ○ Households may be less likely to move out of the larger unit into the market.
4.D. 4.A. + require all appliances be Energy Star certified or the equivalent.	<ul style="list-style-type: none"> ○ Ensures that less energy is used by restricted homes, which achieves Comp Plan goals and is less expensive for the household. 	<ul style="list-style-type: none"> ○ Increases the price of construction.
4.E. Evaluate how requirements for interior spaces, interior materials, responsible building practices, and quality assurances are different from standard market unit requirements to determine if there is a straightforward way to comply through existing building and design standards that apply to market rate units.	<ul style="list-style-type: none"> ○ This may help to draft livability standards that are equitable across the board. 	<ul style="list-style-type: none"> ○ Market requirements may not be enough to ensure certain standards are met for long term maintenance, etc.
4.F. Adopt livability requirements that provide minimums for each feature: unit size; kitchen, including lineal feet of cabinets, closets and storage areas, floor coverings, room sizes and shapes, windows/noise mitigation, laundry, heating and hot water, and finish and fixture specifications.	<ul style="list-style-type: none"> ○ Ensures that units are provided with all necessary components that will last, and are functional to live in. 	<ul style="list-style-type: none"> ○ May increase cost of construction.
4.G. Some combination of B, C, D, E, and F.		

Staff recommendation: Alternative 4.B, C, D, and F

Staff recommends keeping the Status Quo except:

- Decreasing the ownership size requirements to match the rental unit size requirements. If mitigation is based on square footage, then maximum size units should also be implemented to ensure more units, not larger units, are built.
- Require all appliances to be Energy Star.
- Adopt livability requirements that provide minimums for each feature: unit size; kitchen; including lineal feet of cabinets; closets and storage areas; floor coverings; room sizes and shapes; windows/noise mitigation; laundry; heating and hot water; and finish and fixture specifications.

These requirements ensure that units are provided with a base level of components needed for safety, health, and functionality, and that large units do not take up the entire requirement. It also is in line with the Town and County energy use goals and allows square footage for storage, which is a need in all restricted units.

5. What percentage of a household's income should be spent on housing?

Pricing and income limits are set so that 30% of income is spent on housing.

Status Quo:

- A household should not spend more than 30% of its gross income toward housing costs (HUD standard).
- Household may not carry more than 45% of total debt to income, including the mortgage note.

Alternatives	Intent	Potential Drawbacks
5.A. Status Quo	<ul style="list-style-type: none"> ○ 30% of income towards housing costs is a HUD standard. HUD considers a family paying more than 30% to be cost burdened. Most mortgage lenders do not allow total debt to income to be more than 45%. For households to obtain financing on restricted homes, banks require the restriction to lift in case of foreclosure. The home is at risk of being lost from the program if the owner defaults on payment. The Housing Department requires no more than 45% total debt to income ratio to lessen the risk of foreclosure. 	<ul style="list-style-type: none"> ○ A lower percent of income required to go toward housing costs means a higher subsidy is required. Some families cannot qualify to purchase a home because their total debt to income is too high.
5.B. 5.A. + include a minimum debt to income ratio	<ul style="list-style-type: none"> ○ Avoid housing families who can afford a more expensive home in a less expensive home based solely on income and assets. 	<p>If a family qualifies in Category 1 based on income, but their debt-to-income is below the minimum, they would not qualify for Affordable housing and likely would not be able to afford a market home.</p>
5.C. 5.A., except remove debt to income ratio limit.	<ul style="list-style-type: none"> ○ More families would be able to qualify for housing. 	<p>Increase in risk of losing units to foreclosure.</p>
5.D. 5.A., except increase the percentage of gross income a household may use toward housing costs.	<p>Lessens the subsidy in the home and allows fewer households to qualify.</p>	<p>Increase in risk of losing units to foreclosure.</p>
5.E. Some combination of B, C, and D.		

Staff recommendation: Alternative 5.A

Staff recommends keeping the Status Quo at 30% of a household's income towards housing costs and a maximum debt to income of 45%.

30% of a household's income is the standard set forth by HUD for housing affordability. 45% debt to income is normally the highest a lending institution allows to qualify for a mortgage. The debt to income limit of 45% protects homes from going into foreclosure and being lost from the program.

A minimum debt to income would add too much complication to the program, and this issue is already handled through the asset limits.

6. When should a household have to qualify for a rental or ownership home?

Status Quo:

- Affordable ownership unit: qualify only at time of purchase. Requalification is not required.
- ARU, Employee, and Employment-based (rental and ownership): annual qualification. These compliance policies are not set out in the Rules and Regulations. They are only in the deed restrictions.

Alternatives	Intent	Potential Drawbacks
6.A. Status Quo	<ul style="list-style-type: none"> ○ Affordable units: allows households to earn more money, so that they can eventually move into the market. ○ Employment-based, ARU, and Employee housing units: annual requalification to ensure the household still qualifies for the unit. 	<ul style="list-style-type: none"> ○ Without regular requalification for Affordable units, there is no way to ensure these units are being used to house local workforce earning <120% of area median income. ○ Annual requalification of ARU, Employee, and Employment-based units takes a large amount of staff time.
6.B. 6.A + standardize requalification requirements for ARU, Employee, and Employment-based (rental and ownership) in the Rules & Regulations and refer to the Rules & Regulations in the deed restriction.	<ul style="list-style-type: none"> ○ Streamlines the process for requalification and takes less staff time. 	<ul style="list-style-type: none"> ○ These new standards will not apply to existing deed restrictions and may cause some confusion.
6.C. 6.A., except requalify Affordable ownership households every two years. Use an income threshold that is higher than the original qualification. For example, a Category 2 unit will requalify using Category 4 or 5 criteria.	<ul style="list-style-type: none"> ○ Allows households to increase their income, while providing a mechanism for protecting the public subsidy and ensuring units are being used to house qualifying households. 	<ul style="list-style-type: none"> ○ Would uproot working families from their home, with no guarantee that they would get into another home for which they qualify or be able to purchase a market home. ○ Would require significant staff time.
6.D. B + C		

Staff recommendation: Alternative 6.D

Staff recommends keeping the Status Quo and standardizing requalification requirements for ARU, Employee, and Employment-based (rental and ownership) in the Rules and Regulations and referring to the Rules and Regulations in the deed restriction.

New Affordable ownership households should requalify every 5 years using an income and asset threshold that is at Category 6 level (200% of median income). Qualifying owners of Affordable units every 5 years and allowing their income and asset level to grow to a Category 6 level allows them to stay in the home until they reach 200% of median income, which is where market homes begin to be affordable.

Referring to the Rules and Regulations in the deed restriction will allow changes to be made to the Rules and Regulations during a public process without having to record a new restriction.

7. How should the sale/rent price be set?

The Rules and Regulations provide a calculation for maximum sales prices for ownership units and maximum rents for Affordable and Employee rental units.

Status Quo:

- Sales price calculation, assume:
 - 1) 30% of a household's income toward housing costs (25% - mortgage, 5% - HOA dues, taxes, insurance);
 - 2) 30-year mortgage at 7.5% interest rate, 5% down payment;
 - 3) income used is 10% less than the maximum for the Category and household size based on 1 person/bedroom.
- Max rent price calculation for JTCHA-owned rentals:
 - 1) Use 70% AMI
 - 2) 30% of a household's income toward utilities
 - 3) Qualified households earning 100-120% AMI pay an additional \$50/month rent.
 - 4) Household size based on 1 person/bedroom
- Employee Housing Units: Max rent cannot exceed "Fair Market Rent" calculated annually by HUD

Alternatives	Intent	Potential Drawbacks
7.A. Status Quo	<ul style="list-style-type: none"> ○ Price homes so that they are affordable to the midrange of the Category, allowing more than just the top income earners in the Category to afford the unit. ○ JTCHA rents were assumed at the lowest category for Grove Phase 1 budgeting purposes. ○ Fair Market Rents as calculated by HUD are based on actual market rents in Teton County. 	<ul style="list-style-type: none"> ○ Interest rates are currently lower than 7.5% so households could likely afford higher priced homes. ○ Households may have a larger down payment, which would allow them to afford a higher priced home. ○ Households in the lower end of the income range will have a more difficult time affording restricted home prices. ○ Fair Market Rents have a 3 to 5-year lag time and do not always accurately represent the current market.
7.B.7.A., except for Employee Housing units, calculate max rents based on 30% of the household income at the low end of each category.	<ul style="list-style-type: none"> ○ Households in Category 1, 2, and 3 will be paying rent that is affordable to their income levels. 	<ul style="list-style-type: none"> ○ Some households will pay less than what is "affordable" for them.
7.C. 7.A., except allow for multi-unit developments to have an additional increase in initial sales price if certain criteria are met.	<ul style="list-style-type: none"> ○ Encourages multi-family development with designs that exceed livability minimums. 	<ul style="list-style-type: none"> ○ May exclude some households from purchasing a restricted home. ○ May decrease the number of units built.

Alternatives	Intent	Potential Drawbacks
7.D. 7.A., except base the mortgage interest rate on the 20-year average and recalculate each year	<ul style="list-style-type: none"> ○ The mortgage interest rate used will be the actual current 20-year average and may allow more households to qualify for restricted housing. 	<ul style="list-style-type: none"> ○ Interest rates could fluctuate lower or higher than the 20-year average.
7.E. 7.A., except for sales price calculation use 8% instead of 5% toward HOA dues, taxes, and insurance and 22% toward mortgage.	<ul style="list-style-type: none"> ○ HOA dues, taxes and insurance may cost more than 5%, which could make the unit unaffordable to the homeowner and increase the risk of losing units to foreclosure. 	<ul style="list-style-type: none"> ○ Maximum sales prices will be lower causing subsidies to be higher.
7.F. 7.A., except for JTCHA-owned rentals use the midrange for each income Category (Cat 1 = 70% AMI; Cat 2 = 90% AMI; Cat 3 = 110% AMI)	<ul style="list-style-type: none"> ○ Charge what is affordable to each Category ○ Decrease the subsidy to Category 2 and 3 households. 	<ul style="list-style-type: none"> ○ Will likely increase rent rates for current tenants.
7.G. Some combination of B, C, D, E, and F.		

Staff recommendation: Alternative 7.B, D, E, and F

Staff recommends calculating the maximum rent for Employee (rental) housing units and JTCHA-owned rental units based on 30% of the household income at the low end of each category.

1-person household	Fair Market Rent	Current Grove Rent	Recommended Rent
Category 1	\$938	\$1,125	\$768
Category 2	\$1,098	\$1,125	\$1,296
Category 3	\$1,485	\$1,175	\$1,485

Pricing rents based on income in the lowest end of the categories allows everyone in the category to afford the rent. Using Fair Market Rents is not a current data set and may also be unreliable for Teton County. It is based off data from the U.S. Census American Communities Survey, and 5-year data is used. This means that the 2018 Fair Market Rents will be based on data from 2011 to 2015. If unreliable data is collected, HUD uses the corresponding metropolitan area, which will not accurately represent Teton County.

The mortgage interest rate should be based on the 20-year average and recalculated each year. The 20-year average of mortgage interest rates is used to keep the homes affordable over time. If a low rate is used because rates are currently low, then the home prices will be set higher, but 10 years from now, if mortgage rates go up, the home will no longer be affordable. Recalculating the 20-year average will be a more updated approach.

For ownership units, assume that 30% of income is going toward housing costs. Of the 30%, 22% will go toward principal and interest mortgage payment and 8% will go toward HOA dues, taxes, and insurance. The Housing Department has seen HOA dues, taxes, and insurance costs rising significantly. 8% is a more accurate representation of those costs.

8. How should restricted ownership homes be valued at resale?

Currently, all new restrictions allow for a 2.5% appreciation per year, which is based on the rate incomes increased in Teton County over a 20-year period and is intended to keep homes affordable over time. In the past, deed restrictions have allowed homes to appreciate at different rates: CPI capped at 3% compounded annually, CPI capped at 3%, CPI, Northwest CLI, and 2.5% per year.

Status Quo:

- Original purchase price + 2.5% annual appreciation + cost of required capital improvements + cost of capital improvements not to exceed 10% of the original purchase price with prior approval from the Housing Department, minus maintenance adjustments required by the Housing Department at time of sale.
- For example: Home purchase price is \$300,000. After 10 years, homeowner decides to sell.
 - \$300,000 (original purchase price)
 - + \$93,626 (2.5%/year compounded appreciation)
 - +\$16,000 (capital improvements)
 - \$9,000 (maintenance costs)
 - = \$409,626 maximum resale value

Alternatives	Intent	Potential Drawbacks
8.A. Status Quo	<ul style="list-style-type: none"> ○ 2.5% was the average amount incomes increased in Teton County over a 10-year period. This figure was intended for homes to appreciate at the rate of incomes to keep them affordable. 	<ul style="list-style-type: none"> ○ If incomes do not increase 2.5% each year then units may appreciate at a rate that makes them unaffordable to the Category.
8.B. 8.A. + include a depreciation factor within the calculation of resale value.	<ul style="list-style-type: none"> ○ Appraisers deduct value for the age of a home. It makes sense to depreciate homes as they age and require more maintenance. 	<ul style="list-style-type: none"> ○ Owners will not be able to gain as much equity in their homes, which may not allow them to move into the market.
8.C. 8.A. + set out a list of specific capital improvements that are allowed to be included in resale valuation calculation, and those that are not.	<ul style="list-style-type: none"> ○ Provide predictability to owners who are considering capital improvements. 	<ul style="list-style-type: none"> ○ It is difficult to include in a list everything an owner may want to do to their home and receive credit for or items that are not allowed.
8.D. 8.A., except base the annual appreciation to be added on the Consumer Price Index capped at 3% determined annually.	<ul style="list-style-type: none"> ○ Appreciation is based on inflation rather than incomes. 	<ul style="list-style-type: none"> ○ Homes may go down in value some years if CPI is negative.
8.E. 8.A., except base the annual appreciation on the actual wage increase for Teton County each year using Median Family Income as calculated by HUD, capped at 3% annually.	<ul style="list-style-type: none"> ○ This would be a more accurate way to ensure homes remain affordable. 	<ul style="list-style-type: none"> ○ Homes could go down in value if incomes go down.
Some combination of B, C, D, and E.		

Staff recommendation: Alternative 8.C and E

Staff recommends keeping the Status Quo, and setting out a list of specific capital improvements that may be included in resale valuation and those that are not. Providing a specific list of Capital Improvement credit allowances will clarify to owners what is allowed and what is not.

The annual appreciation should be based on the actual percent that incomes increase or decrease each year, capped at 3%. Basing the appreciation on median income increase or decrease each year for Teton County provides a nexus to affordability. Allowing restricted homes to appreciate helps households gain equity, which helps them get into a market home.

9. How should renting or subletting be handled?

Renting or subletting is prohibited unless allowed by the Deed Restriction or Housing Department approval.

Status Quo:

- All ownership units: renting is only allowed for special and temporary circumstances, such as leaving to care for a family member, and must be pre-approved by the Housing Department
- All rental units: subletting is not allowed

Alternatives	Intent	Potential Drawbacks
9.A. Status Quo	<ul style="list-style-type: none"> ○ Restricted units were not meant for people to use as investment properties. 	<ul style="list-style-type: none"> ○ Things happen in people's lives that require them to be gone for periods of time. Sometimes there is not time to make a special request to the Housing Department.
9.B. 9.A., except allow for the rental of units that are in the active process of being sold by the owner, particularly in situations where the homeowner has an urgent need to move.	<ul style="list-style-type: none"> ○ Gives homeowners flexibility during the process of selling their home and ensures the unit is still being occupied by a member of the workforce. 	<ul style="list-style-type: none"> ○ Having a tenant in the unit during the sales process can complicate the process.
9.C. 9.A., except allow owners to rent rooms to individuals who are employed in Teton County as long as the total household income does not exceed the income limit for the Category of home, the number of individuals living in the home does not exceed Town or County occupancy requirements, and the owner of the home still occupies the unit.	<ul style="list-style-type: none"> ○ To house more of the workforce. 	<ul style="list-style-type: none"> ○ Potential for abuse increases, particularly as it relates to rent charged by the homeowner. ○ More staff time is required to qualify renters and ensure compliance.
9.D. B + C		

Staff recommendation: Alternative 9.A

Staff recommends keeping the Status Quo.

Owners can rent in unique or urgent situations with approval from the Housing Manager and owners should not be using their restricted unit to make money. Owners have the opportunity to appeal the Housing Manager's decision to the Housing Authority Board.

Staff struggled with allowing owners to rent rooms because this could provide more housing to the workforce. It is not being recommended because of the potential for abuse, and restricted units are not intended for investment purposes. It would also take a significant amount of staff time to process requests and to track compliance.

10. How should the buy/sell process work?

For Attainable homes, the owner identifies a buyer and the Housing Department qualifies the buyer. For Affordable and Employment-based homes, the Housing Department facilitates the transaction and receives a 2% fee from the seller's proceeds; the buyer is selected through a tiered lottery.

Status Quo: All Affordable and Employment-based Units

- Unless otherwise stated in the deed restriction, a lottery process is used to determine who may purchase the unit.
- The Housing Department receives a 2% facilitation fee for each transaction that covers the cost of advertising and staff time associated with selling the unit.
- First priority is given to qualified households who live within the same neighborhood/development as the house for sale.
- All lotteries are sent to outside council to be drawn. Each household is placed in the order drawn, so that the home can be offered to the next household in line if needed.

Status Quo: Affordable Units

- Preferences are given for households who meet the following criteria:
 - A member of the household has 4 years of full-time employment by a local business immediately prior to entering the lottery
 - A member of the household is a Critical Services Provider.
- Once a household has entered a lottery three times and been in the top preference category, the household will begin receiving an extra entry in each subsequent Affordable lottery.

Status Quo: Employment-based Units

- A lottery process is used to determine who may purchase the unit.
- The lottery is based on a point system that gives:
 - 1 point for each year of full-time employment immediately prior to the lottery up to 5 years
 - 1 point each for up to two Critical Services Providers per household.

Alternatives	Intent	Potential Drawbacks
10.A. Status Quo	<ul style="list-style-type: none"> ○ Provide an objective, equitable process for determining who may purchase/rent the unit. ○ As families grow, they can move into larger units, opening up smaller ones, and stay in the same neighborhood. ○ Having outside counsel draw the lottery makes the process more transparent. ○ Preference/Points is/are given to people who have staying power in our community and who are needed for health, safety, and welfare reasons (CSP). ○ Extra entries are given to help households have a better chance if they continue to not get selected. 	<ul style="list-style-type: none"> ○ The lottery process is complicated and hard for some people to understand. ○ Giving families already living in neighborhoods preference has been frustrating to other households trying to get a restricted home. ○ Outside counsel can be expensive, slow and does not guarantee a transparent process. ○ Giving preference increases the subjectivity of the process. ○ By not requiring a full application at the time of lottery entry, some households may apply for units for which they do not qualify, and receive extra lottery entries as a result (unless they are chosen, in

Alternatives	Intent	Potential Drawbacks
		which case they will lose all of their lottery entries).
10.B. 10.A. + give preference to households who are renting restricted units.	<ul style="list-style-type: none"> ○ Allows households in rental units to move into ownership more easily. The rental unit would then open up to another household. 	<ul style="list-style-type: none"> ○ This could cause problems with rental leases/terms.
10.C. 10.A. + give preference for retirees that can verify employment for 10 or more years in Teton County immediately prior to retiring.	<ul style="list-style-type: none"> ○ This rewards the investment people have given to the community. 	<ul style="list-style-type: none"> ○ It could be difficult to verify 10 years of employment. ○ Housing retirees who are not working does not directly further the community's goal of housing the workforce locally.
10.D. 10.A. + give top preference for households that have repeatedly submitted for the lottery unsuccessfully for a minimum period of time.	<ul style="list-style-type: none"> ○ Alleviate the frustration of households who have repeatedly unsuccessfully applied for homes in lotteries. 	<ul style="list-style-type: none"> ○ Households will likely begin applying for everything to get top preference, regardless of whether or not they can qualify for the home.
10.E. 10.A., except remove preference for qualifying households to purchase homes that are located within the neighborhood that they currently reside.	<ul style="list-style-type: none"> ○ This would make lotteries equitable across the board. 	<ul style="list-style-type: none"> ○ Families already living in neighborhoods that have grown out of their home would likely have to try to find a restricted home in another neighborhood.
10.F. 10.A., except draw lottery in a public meeting.	<ul style="list-style-type: none"> ○ Remove the mystery or skepticism from the lottery. ○ Cheaper 	<ul style="list-style-type: none"> ○ May slow down the process ○ May not address concerns over lack of transparency in process
10.G. 10.A., except use a point system lottery for all ownership units.	<ul style="list-style-type: none"> ○ The point system gives Critical Services Providers who have worked in Teton County for at least five years priority for a home. 	<ul style="list-style-type: none"> ○ This will decrease the chances of receiving a home for a large portion of qualifying households that either do not have time to volunteer as a CSP or that are not employed as a CSP.
10.H. 10.A., except remove preference for Critical Services Providers.	<ul style="list-style-type: none"> ○ Gives all workers in Teton County equal weight in the lottery. 	<ul style="list-style-type: none"> ○ The community needs Critical Services Providers living locally for quick response to health and safety emergencies.
10.I. 10.A. + include preference for Town and County employees.	<ul style="list-style-type: none"> ○ Increases the odds of a Town/County employee being chosen to purchase/rent a home 	<ul style="list-style-type: none"> ○ Is a less equitable process
10.J. 10.A. + require households to pay fees for the following: lottery	<ul style="list-style-type: none"> ○ Discourage households from entering lotteries for units 	<ul style="list-style-type: none"> ○ Depending on the amount of the fee, this could become

Alternatives	Intent	Potential Drawbacks
entry, annual requalification, and review of capital improvements.	<p>they do not want or do not qualify for.</p> <ul style="list-style-type: none"> ○ Helps to pay for a portion of the staff time spent on lotteries, requalifications, and capital improvement requests. 	burdensome for households seeking restricted housing.
10.K. Some combination of B, C, D, E, F, G, H, I, and J.		

Staff recommendation: Alternative 10.D, E, G, I, and J.

Staff recommends using a point system for preference in lotteries as follows:

- 1 point for each year up to 8 years the household has been full-time employed in Teton County.
- 1 point for Critical Services Providers up to 2 per household.
- 1 point for households who have entered 8 lotteries unsuccessfully.
- 9 points maximum

For example:

Household #1: 2 adults, 1 child

- Worked in Teton County for 6 years (6 points)
- One person is a CSP (1 point)
- Total: 7 points

Household #2: 1 adult with 2 children.

- Worked in Teton County for 10 years (8 points)
- Has entered 10 lotteries unsuccessfully (1 point)
- No CSP
- Total: 9 points

Household #3: 2 adults with no children.

- Worked in Teton County for 3 years (3 points)
- 2 people are CSP (2 points)
- Total: 5 points

Staff considered giving a point to individuals who were raised in Teton County because the Jackson/Teton County Comprehensive Plan calls out generational continuity as a community value. Staff decided not to recommend this because it does not seem fair to those who have invested in this community for years, but were not raised here.

The minimum occupancy for preference in the lottery will trump points as follows:

- 1 adult in household – preference for a 1-bedroom.
- 2 adults in household – preference for a 1-bedroom.
- 1 or 2 adults in household with 1 or more children – preference for a 2-bedroom.
- 1 or 2 adults in household with 2 or more children – preference for a 3-bedroom.
- 1 or 2 adults in household with 3 or more children – preference for a 4-bedroom.

For example:

Household #1 (above) would receive preference in a lottery for a 2-bedroom home.

Household #2 (above) would receive preference in a lottery for a 2 or 3-bedroom home.

Household #3 (above) would receive preference in a lottery for a 1-bedroom home

Example lottery sheet for a 2-bedroom home using above households:

Top Preference Group	Household 2 – meets occupancy and has 9 points
Second Preference Group	Household 1 – meets occupancy and has 7 points
Third Preference Group	Household 3 – does not meet occupancy and has 5 points

The lottery is an equitable system to give everyone who works in Teton County a chance to purchase a home that is affordable to them.

The point system will make the lottery less complicated and easier for applicants to understand where they fit.

Removing the preference for households who live within the neighborhood makes it equitable to other households who do not already have a home that is affordable to them.

11. What types of relief should be allowed from the Rules & Regulations?

Applicants, tenants, and homeowners can ask the Housing Department for an exception to the Rules and Regulations if they feel their situation is unique. To apply for an exception, a Request for Exception Form is completed and submitted to the Housing Department along with a \$25.00 fee. The Housing Manager reviews the request and makes the decision whether or not to grant it. A letter is prepared in response to the request, which includes the Housing Manager’s findings and decision. Applicants, tenants, and homeowners can appeal decisions made by the Housing Manager to the Housing Authority Board if they believe the Housing Manager misapplied the Rules and Regulations. Applicants, tenants, and homeowners can file a grievance if they feel that they have been harmed in some way by the Rules and Regulations or decisions made by the Housing Manager.

Status Quo:

- Exceptions for unique situations related to the purchase/rental of the home, appeals from decisions of the Housing Manager; and grievances for harm done by the established Rules and Regulations.

Alternatives	Intent	Potential Drawbacks
11.A. Status Quo	<ul style="list-style-type: none"> ○ All situations are unique, and the Rules and Regulations cannot speculate about every one. This allows the Housing Department to review special circumstances to determine if the rules can be flexible. 	<ul style="list-style-type: none"> ○ Subjective decision may cause confusion for neighbors or community members who assume noncompliance.
11.B. 11.A. + formalize the appeal process, including the appeal hearing, and model after the Wyoming Contested Case Rules.	<ul style="list-style-type: none"> ○ To clarify the process for all involved in an appeal/hearing. 	<ul style="list-style-type: none"> ○ May lengthen the appeal process, requiring more staff time and costing more for the appellant.
11.C. 11.A. + set out standards for making determinations on exceptions, appeals, and grievances.	<ul style="list-style-type: none"> ○ To guide the Housing Manager and Housing Authority Board in making decisions. 	<ul style="list-style-type: none"> ○ Standards could be too narrow and cause unique situations to be left out.
11.D. B+ C		

Staff recommendation: Alternative 11.D

Staff recommends formalizing the appeal process, including the appeal hearing, and modeling it after the Wyoming Contested Case Rules. The current process in place is vague.

Standards for making determinations on exceptions, appeals, and grievances should be developed. Standards will help the Housing Manager when making determinations on exceptions, appeals, and grievances.

12. How should new Rules & Regulations be applied to existing units?

New Rules and Regulations are only applied to existing units if existing restrictions defer to the Rules and Regulations.

Status Quo:

- Special restrictions supersede the Rules & Regulations. If provisions are not specifically outlined in the special restrictions for a unit, the restrictions default to the currently adopted Rules and Regulations.

Alternatives	Intent	Potential Drawbacks
12.A. Status Quo	<ul style="list-style-type: none"> ○ Old restrictions were more likely to specifically outline items now addressed in the Rules & Regulations. This gives homeowners more certainty as it relates to occupancy and use of their unit. 	<ul style="list-style-type: none"> ○ Until all special restrictions are standardized, there will be inconsistencies between how issues with different units are handled.
12.B. 12.A. + specify that the Rules & Regulations adopted at the time of resale will govern the sale of a restricted unit unless otherwise stated in the special restriction.	<ul style="list-style-type: none"> ○ To allow changes to be made to the Rules & Regulations without having to change the Restriction. A 45-day public review and comment period is required any time a change is made to Rules. 	<ul style="list-style-type: none"> ○ Owners could get confused when Rules & Regulations change.
12.C. 12.A. + new restrictions will be recorded at resale, unless the standard restriction is already in place. The standard restriction will refer to the Rules & Regulations where appropriate.	<ul style="list-style-type: none"> ○ Allows for changes to the Rules & Regulations without having to change the Restriction. ○ Over time, decreases staff time needed 	<ul style="list-style-type: none"> ○ Some staff time required initially.
12.D. 12.A. + for rental units, establish that the Rules & Regulations in effect at the time the rental agreement is entered will apply.	<ul style="list-style-type: none"> ○ To clarify which Rules & Regulations apply to them and their rental unit. 	<ul style="list-style-type: none"> ○ Tenants may get confused about which Rules & Regulations apply to them.
12.F. Some combination of B, C, and D.		

Staff recommendation: Alternative 12.E

Staff recommends placing new restrictions on units at resale, unless the standard restriction is already in place. The standard restriction and/or lease agreement will refer to the Rules and Regulations where appropriate.

This allows for the Rules and Regulations to be changed through the public process and still apply to restrictions and leases.